THE
Freeman
IDEAS ON LIBERTY

A LESSON IN SOCIALISM

THOMAS J. SHELLY – thirty-five years a teacher of economics and history – attempted to explain the meaning of socialism to his Yonkers High School class as follows:

"John, you made a grade of 95; and yours, Dick, was 55. I shall now take 20 points from you, John, and give them to Dick. Thus, each of you has 75, adequate for passing.

"Here I have applied the socialist-communist principle as set forth by Karl Marx: 'From each according to his ability, to each according to his need.'

"Now, let us examine this in practice. You, John, won't work because you have had your incentive removed. And, you, Dick, won't work because you are getting something for nothing.

"We can't exist unless we work and produce. Thus, in order to get the work done, we'll need someone with a whip or a gun. Socialism must lead to authoritarian controls."

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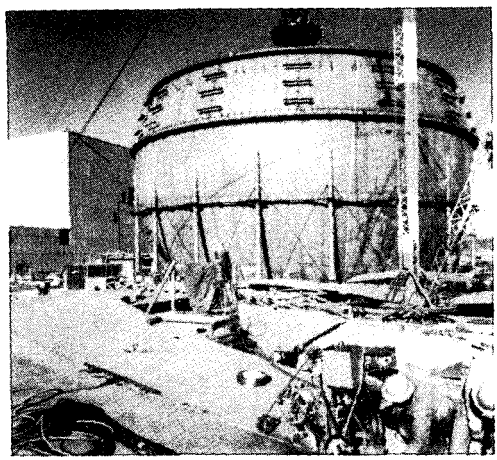
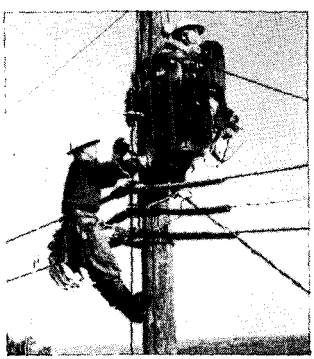
1 It grows out of new tools and equipment like this reactor assembly built by Westinghouse for testing atomic fuel element designs. These are developed and tested by engineers and scientists of electric companies and manufacturers, with the cooperation of the Atomic Energy Commission.

2 Finally, atomic-electric power comes from new kinds of electric power plants that use atomic fuel made from the uranium. Such a plant is the one photographed at right now being developed near Chicago, Illinois, by a number of electric companies. More are being planned or built by power and light companies in other parts of the country.





3 The electricity from an atom-powered plant is just like the electricity you use. The difference is in *producing* it. For each plant has to be designed, developed and built as a "first of its kind"—a very expensive way that makes the electricity costly to produce. That's why hundreds of electric company people are working to find the best ways to make atomic electricity more economical in the future.

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THE Freeman

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LEONARD E. READ *President,* Foundation for Economic Education

PAUL L. POIROT *Managing Editor*

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LO, THE POOR TAXPAYER

BLAKE CLARK

Under the Indian Claims Act of 1946, the government may have to pay out ten billion dollars to repurchase our land from the Indians.

THE INDIANS are on the warpath – not for scalps but for money, and using law books in the place of tomahawks. The white man took their lands without just compensation, they say; now they intend to get paid for it. Indians are laying legal claim to reimbursement for 1,320,000,000 of the 1,900,000,000 acres of land that constitute the United States. Though many of these claims overlap, with two or more groups asking money for the same acres, the net is staggering.

If you live in West Tennessee or Arkansas, chances are that the Chickasaw or the Quapaw have claimed money for the land you occupy; if your home is in Nebraska or Minnesota, the Oto-Missouri or the Chippewa are probably after pay for your property. In the West, Midwest, and South, various tribes have their bows drawn on title to entire states.

Why this avalanche of claims? Almost every year since 1881, when the Choctaw were allowed to bring a land claim suit against the government in the U. S. Court of Claims, some Indian tribe has persuaded Congress to pass at least one special bill permitting them also to sue. The political pressure behind these requests was tremendous, particularly on senators from the Western states. In 1946, hoping to end a perennial nuisance, Congress set up a three-man Indian Claims Commission to get the facts and see that justice was done. President Truman named as chief

Mr. Clark is a roving editor of The Reader's Digest.

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commissioner Edgar E. Witt, former Lieutenant Governor of Texas, and as his associates, Louis O'Marr, former Attorney General of Wyoming, and William M. Holt, a prominent Nebraska lawyer. All of them are still serving.

The Indians had five years, from August 13, 1946, to August 13, 1951, to file claims. Accepting this wide-open invitation, various groups who never before had made a claim of any kind discovered that they, too, were owed something by the government. Some tribes, aided and abetted by their lawyers, made fantastic representations. The Sioux asked 15 million dollars' recompense for the hides of all buffalo, elk and deer slain on their land by the white man between 1865 and 1880. The Quapaw, who never exceeded 600 in number, soberly demanded $54,397,110.34, plus interest since 1818, for 43 million acres extending into Oklahoma and Texas. The Miami laid claim to seven million acres in Indiana, with the city of Indianapolis as its hub. The Scaticook or Kent Indians have filed a petition stating that their forebears did not sell Manhattan Island to Peter Minuit for $24.00 – they leased it for 99 years – the lease has expired! They claim also that Westchester, Putnam, and Dutchess Counties in New York were taken by the Dutch without payment. The Ottawa claim money for Chicago, the Creek for Atlanta and Birmingham, the Arapaho for Denver, and the Apache for Phoenix.

By 1951 fewer than 500,000 Indians of the United States had demanded settlement for three-fourths of the continent in 852 different claims which may well total 10 billion dollars – an average of about $25,000 for every Indian man, woman, child, and papoose.

A Precedent

Ridiculous – they'll never get it, you think? That's what Assistant Attorney General Perry Morton thought when he took over the Department of Justice's Lands Division in 1953. Morton was shocked to find a staff of 17 Department lawyers – now 25 – with as many clerical helpers spending full time on the apparently endless task of preparing to defend the government against these preposterous claims. Their work, with that of anthropologists and other experts, was costing the taxpayer over $500,000 a year. "Let's clear the docket of these cases right away," Morton said, "and settle the matter once and for all."

A typical case was coming up. His plan was to win it and use the decision as a precedent that would quickly dispose of all others like

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it. This was the suit of the Oto and Missouri tribes demanding compensation for Kansas and Nebraska lands ceded to the government and paid for in 1833 and 1854 to the tune of $502,833. Ralph A. Barney, Chief of the Indian Claims Section, showed in court that the United States had long ago paid in full the sums then agreed upon. The Supreme Court had ruled that, after the coming of the white man, the Indians never really owned any land. All the land the Indians inhabited, according to the court, belonged to the Sovereign, the federal government, by "virtue of discovery." The Indians, therefore, had only squatters' rights – not ownership. Any payment, Barney reasoned, was simply a gratuity, and it is impossible, he argued, for a gratuity to be unfair. He felt he had an airtight case.

Barney was scalped. The Oto and Missouri got a net judgment of $1,156,033.25 from the Commission. It was later upheld by the Court of Claims, and the Supreme Court declined to review the case. The precedent was established, but in favor of the Indians.

How had it happened? Had a white man presented a similar case in an ordinary court of law, he would not even be heard. Yet Congress, in its eagerness to do right by the Indians in accordance with the Indian Claims Act, had given them unique rights and privileges. Other Americans who wait more than six years to file a case against the government are too late – the statute of limitations applies to them. But Congress waived this statute for all past Indian claims, some of which go back to 1795. Again, if your property is condemned and taken over at the going real estate rates, you cannot later sue the government even though you foresaw a sharp rise in values and would not willingly have parted with it for twice the sum paid. The Oto-Missouri, however, sued and recovered for their ancestors' property.

Other Indians' legal counsel lost no time following the Oto-Missouri decision. The Kaw, whose ancestors were paid in 1846 for land in Kansas, now said the compensation received was not enough. So the United States bought it again, paying the descendants of the tribe $2,493,688.75. So far the government has been ordered to pay extra for 36,900,000 acres after trial on only a few cases involving aboriginal title and the total number of other cases waiting in line is 249.

Lawyers' Paradise

With astronomical sums at stake, the Indians command impressive legal talent which includes a former Assistant Secre-

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tary of Interior in charge of Indian Affairs, a one-time Assistant Attorney General of the Justice Department's Lands Division, a former senator and a university president. Some 20 law firms, from New York to San Francisco, contributed $21,000 each to a war chest from which expenses are paid to researchers, anthropologists, and other specialists. Indian cases are the lawyers' uranium — speculative but fabulously profitable. The average barrister does not in a lifetime have a suit involving a million dollars and few Indian claims are for less. The legal fee is usually 10 per cent, plus expenses. Legendary in the profession is the $2,800,000 which a Washington counselor, Ernest Wilkinson, and his colleagues received for a $31,938,473.43 settlement reached on behalf of the Ute.

Counsel for a number of tribes, unable to determine exactly what areas these groups had long ago inhabited, cleverly introduced the 163-year-old Treaty of Greenville. This was negotiated in 1795 by General "Mad" Anthony Wayne, after the Battle of Fallen Timbers in Lucas County, Ohio, where he decisively defeated the Wyandot, Delaware, Shawnee, Ottawa, Chippewa, Potawatomi, Miami, Eel River, Wea, Kickapoo, Piankashaw, and Kaskaskia. All of these tribes had sided with the British during the Revolutionary War and had continued their hostilities against Americans after the Treaty of Peace with Great Britain in 1783. They signed the treaty agreeing to stay within an area north and west of the so-called "Greenville line," which ran for 325 miles from near Cleveland south and west to Indiana, and cease their hostilities.

Title by Treaty

The Commission has now held that this treaty gave them "recognized Indian title" to 136 million acres. Thus when any of these tribes subsequently made another treaty waiving any part of the 136 million acres, the Commission has said that the waiver itself is enough to prove the boundaries of their ownership without any proof of actual use and occupation. The decision means that no tribe whose "title" was "recognized" by treaty will be required to establish as a fact that the sweeping areas involved were actually theirs.

This is another legal concession to Indians. The Supreme Court once clearly stated that to establish "title" by original occupancy, Indians had to prove that they actually used and occupied the land — had mastery over it to the exclusion of others.

Indians' lawyers promptly possessed this advantage and ob-

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tained from the Commission a ruling that the Treaty of Prairie du Chien of August 19, 1825 was also a "recognition of Indian title" to 55 million acres in Illinois, Iowa, and Wisconsin; that the 1851 Treaty of Fort Laramie gives title to 161 million acres in Montana and Wyoming to Indians who will not be asked to prove their ancestors occupied it. Favorable decisions already rendered in the realm of recognized Indian title involve more than 342 million acres whose value is yet to be determined. The significance to taxpayers is tremendous. Potential liability is enormous. Whether the government will be any luckier in its appeal to higher courts than it was in the Oto-Missouri case remains to be seen.

Back for More

An unexpected expense to the taxpayer arose when claims Congress considered completely settled came up again. A group of Creeks who had remained loyal to the federal government during the Civil War lost much of their property when forced to seek refuge behind Northern lines. In 1901, after decades of agitation for reimbursement, Congress gave them $600,000, which they accepted in full satisfaction of their claim.

With the new opportunity to sue the government, the Loyal Creeks and their counsel came back to the Capitol. "We originally requested twice the amount received," they explained. "Now we would like the rest."

The Indian Claims Commission denied the request, but, on appeal to the Court of Claims, the Creeks succeeded in doubling their money.

The Whole of California

Easily the largest case is that presented by the Indians of California, claiming every acre of the state, together with all the inland waters. The land when taken was worth $1.25 an acre, they allege, and there are 100 million acres. Anthopologists say that more different tribes – probably 500 – lived there than in any other area the same size. Their tribal identity was disrupted so they are now suing on behalf of all, as if they were a single group. U. S. liability has already been tacitly established; the issue pending before the Commission is merely the extent to which Indians occupied the state. A corps of anthropologists have testified that they used only areas near their permanent dwellings; the Indians' lawyers contend that their clients' ancestors inhabited much of the state and are justified in recovering for all California. Either way, the Indians can hardly lose.

The time, trouble, and expense of defending these cases is tre-

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mendous. The government must hire anthropologists, historians, ethnologists, archeologists, linguists, and appraisers. In nearly every case, a general accounting has to be supplied of all government dealings with the tribe throughout history. At present, some 87 claim examiners, titlists, and file clerks at the General Accounting Office spend full time trying to keep up with these requests. The detail required is incredible, and each job takes months. In the Sioux case before the Court of Claims, the accounting went back 127 years to 1831 and took nine years to complete. GAO had 200 cases on hand in October 1957; 128 were being worked; 72 were still untouched.

That Guilty Feeling

Why is this allowed to continue? Behind it all is a sense of guilt for supposed ancient wrongs. We have the shameful feeling that the white man, by deceit and brute force, drove the Indians from their homes without compensation. Some of this guilt feeling is justified. Much of it is not.

It is true that many individual white settlers dealt with the Indians pretty much as they pleased. And Massachusetts Puritans disregarded Indian claims to unimproved lands, giving rise to Mark Twain's crack that our Pilgrim fathers "fell first upon their own knees; and then upon the aborigines."

But the historic fact is that, after the Declaration of Independence, practically all land obtained by the United States from the Indians was bought and paid for in probably the greatest series of real estate transactions in history. The late Felix S. Cohen, Assistant Solicitor for the Department of the Interior and compiler of the authoritative *Handbook of Federal Indian Law,* stated before the House Subcommittee on Indian Affairs that, except for a region including Death Valley in California and an area in Louisiana and Texas where Indian rights were wiped out before we took possession, there was federal dealing for every square mile added to the United States.

Even after we paid Napoleon 15 million dollars for the huge areas embraced by the Louisiana Purchase, we sought out Indian tribes and paid them more than 20 times that amount for the same territory. These Indians, far from being "taken" by the whites, drove a better bargain than the French and reserved to themselves sufficient land to bring them an income that annually exceeds the lump sum we paid the Emperor.

Did the Indians receive a fair price for all their lands? Except

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in a few instances when soldiers helped force a treaty, the sums satisfied the Indians at the time. These amounts were not niggardly. One tract obtained from the Cherokee in 1835 cost five million dollars, a substantial percentage of the annual budget then. In all, we paid the Indians nearly a billion dollars.

Legitimate Grievances

Some Indians have legitimate grievances against the U. S. government, and the Indian Claims Commission is an excellent place to settle them. The Potawatomi tribe showed, for example, that the government provided for the sale of surplus reservation lands at a price far below fair market value, and in 1862 took without adequate payment 1,454 acres of tribal land for a railroad right-of-way. The Commission has assured present-day descendants fair compensation *with interest for 94 years* – a total of $359,460.61. Andrew Jackson was so eager to protect the Union by a buffer area against the Spaniards in Florida that in 1814 he forced the Creek to surrender 25 million acres without payment. The Commission has held the United States liable. In some other cases the United States has been proved negligent in handling Indian affairs turned over to us in trust. The Commission is correcting these mistakes.

A Confusion of Objectives

On the whole, our government's high standard of dealing with native peoples is unequaled by any other nation. As Mr. Cohen said, "No one who looks at the record can say that we have willfully ignored Indian property rights in any part of our public domain."

We pay from $70 to $100 million a year to build Indian schools, roads, and irrigation systems, protect Indian resources of land, forests, and ranges, and help Indians find jobs. Indian spokesmen have long said that the Indian is a good soldier, an excellent citizen, and needs only to be helped to independence and equality with his white brother. Stirring up hopes of a fortune to be gained through suing the government is no way to reach this worthy goal.

The trouble arises from the fact that, in parts of the Indian Claims Act, Congress confused a social problem – how best to help the Indians – with a legal one. According to the Justice Department, most of the absurdity could be taken out of the situation by a revision of the Act. The Indian today needs sympathetic understanding of his problem, whether he is on a reservation or finding a place in our industrial society. If money is needed, Congress should appropriate it, but this endless and expensive legal farce should be ex-

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amined with a most critical eye.

Did Congress really intend us to repurchase most of the continent? If not, Congress should take a good look at the legal precedents they have forced on the Commission and see if, after eleven years of operation, the Act is accomplishing what was intended. Until this is done, the Indians and their lawyers will continue to collect big wampum from the American taxpayer. • • •

IDEAS ON LIBERTY

Wards of the Government

THE RESERVATION INDIAN is becoming less self-sufficient and more dependent upon what he calls "the Great White Father in Washington." Instead of freedom, the Indian has government-guaranteed "security." Instead of individual responsibility, he has a government bureau to handle his personal affairs. There are special laws governing his right to own land and to spend tribal money. Under that system of bondage it should surprise no one to find that many thousands of Indians have remained uneducated, hungry, diseased, and mismanaged.

DEAN RUSSELL

Life on the Reservation

WHATEVER the pre-reservation Indian was, and his faults were real, he was able to take care of himself and had a character becoming to his culture and religion. He was a responsible person. Today he is far from that. The wretched security he has had, beginning with the food and clothing dole of early years, designed to enforce the reservation system and destroy Indian resistance, has sapped him of character. The average Indian knows that he can gamble and drink away his earnings and still be sure that his house and land will remain his own, and, with his hunting rights, he can always eke out some kind of existence.

Government men too often hamper and impede the man with initiative and character. This is because their program inevitably must be formulated in terms of the lowest common denominator, the weakest Indian. In addition, the provisions of the government for the "welfare" and "security" of the Indians remove the consequences from their sinning and irresponsibility. The result is a license to irresponsibility which all the touted government projects cannot counteract.

THE REVEREND E. J. FLESHDOONY

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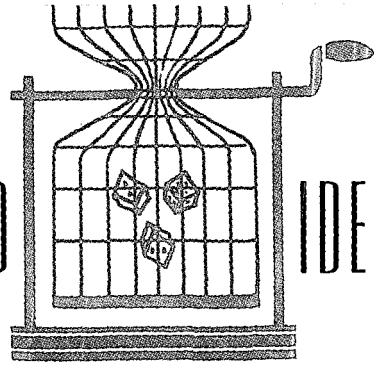
W. J. BROWN

IMPRISONED IDEAS



THERE ARE MANY classifications into which men and women may be divided – as upper, middle, or lower class; rich, well-to-do, and poor; religious, skeptical, and atheist; Conservative, Liberal, Labour; Catholic, Protestant; master and man; and so forth and so on, *ad infinitum*.

But, as I think, the only categorization which really matters is that which divides men as between the Servants of the Spirit and the Prisoners of the Organization. That classification, which cuts right across all the other classifications, is indeed the fundamental one. The idea, the inspiration, originates in the internal world, the world of the spirit. But, just as the human spirit must incarnate in a body, so must the idea incarnate in an organization. Whether the organization be political, religious, or social is immaterial to my present argument. The point is that, the idea having embodied itself in organization, the organization then proceeds gradually to slay the idea which gave it birth.

We may see this process at work in many fields. Let us take one or two by way of illustration.

In the field of religion a prophet, an inspired man, will see a vision of truth. He expresses that vision as best he may in words. He will not say all he saw. For every expression of truth is a limitation of it. But he will, so to speak, express the sense of his vision.

What he says is only partly understood by those who hear him; and when they repeat what they understand him to have meant, there will already be a considerable departure from the original vision of the prophet. Upon what his disciples understand of the prophet's message, an organization, a church, will be built. The half-understood message will crystalize into a creed.

Before long the principal concern of the church will be to sus-

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The Honorable Mr. Brown, British journalist, politician, and television personality, was a Member of Parliament for Labour (1929-31) and as an Independent (1942-50). This article is reprinted here by permission from The Spectator of September 19, 1947.

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tain itself as an organization. To this end any departure from the creed must be controverted and if necessary suppressed as heresy. In a few score or few hundred years what was conceived as a vehicle of a new and higher truth has become a prison for the souls of men. And men are murdering each other for the love of God. The thing has become its opposite.

In the field of politics the dispossessed dream of a social order which shall be based on righteousness, a system in which men shall not exploit their fellow men, in which each shall contribute according to his capacity and each shall receive according to his need. Upon this conception a political party is built. It gives battle, over the years, to the existing order of things. As with the church, it is not long before the primary concern of the party is to sustain itself. Here, again, any departure from the political creed must be repressed. The "party line" must be kept straight and dissent kept under.

In the course of time the party achieves power. By this time it is led no longer by starry-eyed idealists, but by extremely tough guys – who then proceed to use their newly acquired power to establish a stronger despotism than the one they overthrew, and to sew up all the holes in it that they themselves discovered in the old. What emerges is not freedom and social justice, but a more comprehensive and totalitarian control, used to maintain a new privileged class, which, because of the earlier experience of its members, is still more ruthless than the old.

Similar illustrations could be drawn from all fields of life. But these two will suffice to demonstrate the truth with which I am here concerned. It is that, the idea having given birth to the organization, the organization develops a self-interest which has no connection with, and becomes inimical to, the idea with which it began. Now the thing which permits this process of diversion to take place, so that the organization comes to stand for the opposite of the idea which originally inspired it, is the tendency in men and women to become Prisoners of the Organization, instead of being Servants of the Spirit.

IN THIS TENDENCY there are many elements. There is a sense in which you cannot run an organization without becoming its prisoner. Organization has its own necessities, in the interests of which the original idea has to be somewhat qualified. As soon as the idea passes from the unmanifested and embodies itself in the actual, it begins to be invaded by what the

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poet called "the world's slow stain." In this there need be no conscious infidelity on the part of the leaders. Better, they may well argue, that the great idea should be only partly manifested than that it should remain merely an idea *in vacuo*. Better half the ideal loaf than no bread at all.

Next, the wider the area to which the idea is introduced, the larger the circle of men and women to whom it is propagated through the organization, the more it must be "stepped down" for propaganda purposes. The idea which gives birth to a party which wants to establish the cooperative commonwealth must be translated into practical proposals, such as the eight-hour day, the five-day week and what not, if it is to attract a mass backing. And so the organization becomes less the vehicle of the idea than a channel through which particular interests must be served.

The service of such particular interests attracts the backing of other organized bodies more interested in the limited objectives which the organization has now adopted than in the great idea itself. And the pressure of such bodies is felt by the organization, with the result that the idea tends to retreat into the background in favor of less ambitious objectives. In this world the Devil walks, and it is necessary sometimes to hold a candle to the Devil.

Another element is this. Prophets always stand a good chance of being bumped off. This chance is increased if they come down from the hills into the market place, and still further increased if they come down unarmed. Prophets should only go unarmed into the market place if they think that their work is done, and are prepared to depart hence. Some prophets take to arms. Even where the original prophet does not, his disciples may do so. The organization which they build will almost certainly do so. The Devil must be fought with the Devil's weapons.

This is argumentatively sound but practically disastrous. For it means that the servants of God, the disciples of the idea, tend to descend to the Devil's level. As the organization grows, it deteriorates. Its leaders are not the men they were.

Among the rank and file many things combine to keep them in the organization, even when they become uneasily conscious that there is a dawning, and even a yawning, gap between organization and idea. First there is the force of inertia. It is easier not to resign than to resign. Drift is easier than decision. Next there is the factor of personal humility, the tendency to assume that, diffi-

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cult as the thing seems, the leaders, after all, probably know best. Next there is the factor of sentiment. All of us tend to project onto the organization of which we are members the virtues we would like it to have, and to be blind to its defects. And, finally, men are gregarious creatures and dislike falling out of the ranks away from the comrades of years.

Gradually the organization changes. As it changes, it attracts new elements which approve the change. Not because of conscious calculation, which comes much later, when the idea has been deserted, but because organization develops its own logic, its own *raison d'être,* and because men tend to become the prisoners of the organization, the organization can finish up by standing for the precise opposite of the idea which called it into being.

WHAT IS THE MORAL to be drawn from all this? One moral, it would not be wholly facetious to suggest, might be that the first rule for any organization should be a rule providing for its dissolution within a limited period of time. "This organization shall be dissolved not later than. . . ." But the deeper moral is concerned with our attitude to organization as such. The moral is that even when we are members of an organization, our attitude to it should be one of partial detachment. We must be above it even while we are in it. We should join it in the knowledge that there we may have no abiding-place. We should be weekly tenants, not long-lease holders. We should accept no such commitments as would prevent our leaving it when circumstances make this necessary. We should reckon on being in almost perpetual rebellion within it. Above all, we should regard all loyalties to organization as tentative and provisional. The whole concept of "my party, right or wrong," "my union, right or wrong," "my church, right or wrong" should be utterly alien to our thinking.

We must be Servants of the Spirit, not Prisoners of the Organization. We must keep in touch with the sources of life, not lose ourselves in its temporary vehicles. And whenever the demand of the spirit, the categorical imperatives of the soul, conflict with the demands of the organization, it is the first to which we must listen. But all this was said long ago. It is all contained in one of the legendary sayings of Jesus, and bears all the marks of authenticity:

"This world is a bridge. Ye shall pass over it. But ye shall build no houses upon it."

Bivouacs. Yes! Tents. Maybe! Houses. No! • • •

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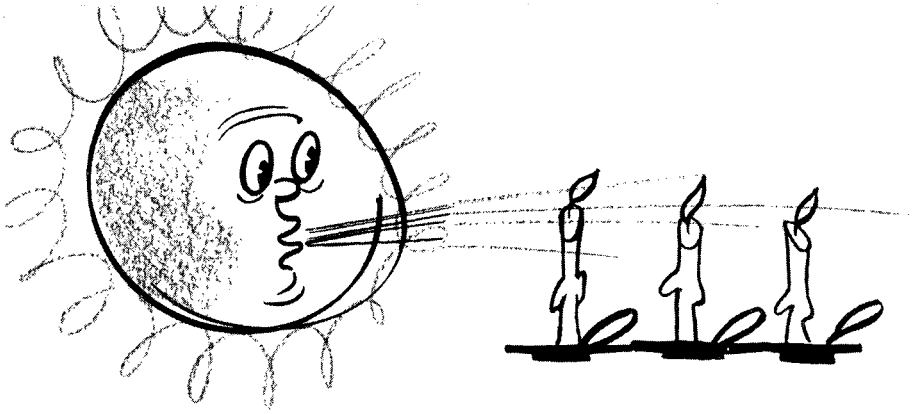

THE CANDLEMAKERS' PETITION

FREDERIC BASTIAT (1801-1850)

WE CANDLEMAKERS are suffering from the unfair competition of a foreign rival. This foreign manufacturer of light has such an advantage over us that he floods our domestic markets with his product. And he offers it at a fantastically low price. The moment this foreigner appears in our country, all our customers desert us and turn to him. As a result, an entire domestic industry is rendered completely stagnant. And even more, since the lighting industry has countless ramifications with other native industries, they, too, are injured. This foreign manufacturer who competes against us without mercy is none other than the sun itself!

Here is our petition: Please pass a law ordering the closing of all windows, skylights, shutters, curtains, and blinds – that is, all openings, holes, and cracks through which the light of the sun is able to enter houses. This free sunlight is hurting the business of us deserving manufacturers of candles. Since we have always served our country well, gratitude demands that our country ought not to abandon us now to this unequal competition.

We hope that you gentlemen will not regard our petition as mere satire, or refuse it without at least hearing our reasons in support of it.

First, if you make it as difficult as possible for the people to have access to natural light, and thus create an increased demand for artificial light, will not all domestic manufacturers be stimulated thereby?

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For example, if more tallow is consumed, naturally there must be more cattle and sheep. As a result, there will also be more meat, wool, and hides. There will even be more manure, which is the basis of agriculture.

Next, if more oil is consumed for lighting, we shall have extensive olive groves and rape fields.

Also, our wastelands will be covered with pines and other resinous trees and plants. As a result of this, there will be numerous swarms of bees to increase the production of honey. In fact, all branches of agriculture will show an increased development.

The same applies to the shipping industry. The increased demand for whale oil will then require thousands of ships for whale fishing. In a short time, this will result in a navy capable of upholding the honor of our country and gratifying the patriotic sentiments of the candlemakers and other persons in related industries.

The manufacturers of lighting fixtures – candlesticks, lamps, candelabra, chandeliers, crystals, bronzes, and so on – will be especially stimulated. The resulting warehouses and display rooms will make our present-day shops look poor indeed.

The resin collectors on the heights along the seacoast, as well as the coal miners in the depths of the earth, will rejoice at their higher wages and increased prosperity. In fact, gentlemen, the condition of every citizen of our country – from the wealthiest owner of coal mines to the poorest seller of matches – will be improved by the success of our petition. • • •

Translated and slightly condensed by Dean Russell from *Selected Works of Frederic Bastiat*, Volume 1. Paris: Guillaumin, 1863. pp. 58-59.

IDEAS ON LIBERTY

HOW COME?

TOM TALMAN

Though I've taken my legal deductions
(My tax-form acumen's transcendent),
There doesn't exist
Any place I can list
The Government as a dependent!

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FREEDOM RESTS ON PRIVATE PROPERTY

W. M. CURTISS

THE QUESTION of "what is mine and what is thine" is one of tremendous importance throughout the world today. It has always been a basic issue, but with all our material progress – our vaunted educational advantages – and our world-wide communication of ideas, it seems safe to say there has never been more confusion over this relatively simple concept. The way in which we answer this question will surely shape the events which lie ahead.

A libertarian believes in the private ownership of property, in the supreme importance and dignity of individuals, and in the right of a person to the fruits of his own labor. He believes an individual should have the right to make choices – conceding that many of us will make unwise choices, at least in the sight of others.

Underlying such libertarian concepts are various foundation stones. First, and perhaps most important, is a belief in an ordered universe. Call it Natural Law if you will, or God, or the Supernatural. But by whatever name you choose, I believe there are certain laws of cause and consequence which you and I are powerless to change. We may violate them – break them – but they cannot be changed. We see this very clearly in the physical sciences – the law of gravity, the principles of aerodynamics, and many many others. But in the area of human relations the laws are not nearly so clear. The fact that these Natural Laws are not entirely revealed to us, however, does not prove that there are no such laws.

So, the idea of an ordered, moral universe suggests a timeless right and wrong; causes have consequences just as surely as night follows day; and we cannot change these principles. These are eternal truths and they exist whether or not we have discovered them.

In contrast to this view is the growing belief that people can de-

Dr. Curtiss is a member of the staff of the Foundation for Economic Education.

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cide right and wrong by majority vote. This assumes a completely capricious universe wherein an action is judged right or wrong by popular opinion and by how well it seems to work at the moment; there are no eternal truths – no laws that cannot be changed by man.

This, of course, gets into a philosophical area difficult to document statistically. Some call it the area of faith – this belief in Natural Law or God. But how can one view the wonders of the universe – and of man – without some such faith in an ordered, moral force back of it all?

Tied closely to this first assumption – and perhaps a part of it – is the question: What is the nature of man? Why are we here? The great minds of the ages have directed their attention to this question and it probably will be pondered as long as man is here. But for the moment, let us assume that man's primary purpose is to develop, to the fullest extent he can in his lifetime, those creative potentials with which he is endowed.

The Right to Life

From these two basic assumptions – that this is an ordered, moral universe and that man's purpose is to develop his creative potentials in harmony with these laws – we can derive certain rights of man that seem to spring from them.

First, and perhaps foremost, of these rights, is the right to life itself. There seems to be a natural right to life, in harmony with Natural Law. In speaking of this as a "right," I do not mean to imply that life, as we observe it, cannot be taken from one; a man can be deprived of life, and this has happened. Nor would I agree with those who think that the right to life means that society owes them a living. That seems to me to be a perversion of the individualistic concept of man.

If one has the right to life, then it follows that one has the right to sustain his life with his own time and means, so long as he does not infringe on the same right of others.

If one has the right to sustain his life, then he has the right to whatever he is able to produce with his own time and means. It follows that he has the right to consume it, or keep it, and thus arises the right of private property.

If one has the right to own property, then he has the right to exchange it, sell it, or give it away on any terms acceptable to the recipient.

If we accept these basic human rights as being in harmony with the Natural Laws of an ordered universe, then we can begin to

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build thereon certain codes of human conduct. Interestingly enough, we find running all through the many centuries of recorded history a code of human rights resembling to a considerable extent Christianity's Golden Rule and the Ten Commandments. The various versions differ in their wording, but the ideas are there. It seems no accident to me that these codes have been formulated by peoples at widely different times and in different places. I am willing to accept them as at least an approach to an understanding of Nature's moral laws. Truth is something man probably always shall pursue, and he may catch a glimmer of it here and there.

The Practical Application

So far, all of this may seem hypothetical. It's the stuff philosophers feed on, but has it really any practical value? I think so, and will try to show why such a concept as the right of private property has practical application. I submit that the entire structure of our advanced economy rests on the foundation stone of private ownership of property. When we lose sight of that, the structure is in danger of collapsing. Though the arguments may sound a bit materialistic, bear in mind that they rest on moral grounds.

The key to our material progress has been exchange – producers trading with one another, or the trading of labor for money and money for things or for services. In the primitive economy, such as prevailed as recently as 150 years ago in this country, most people were farmers. Nine out of ten families lived on farms and were essentially self-sufficient. They provided their own food, their own clothing, their own shelter; and there was little else. There was little exchange and the level of living was very low by our standards today. Capital and tools were scarce, and all able-bodied members of the family worked from dawn to dark just to provide the bare necessities of life.

Contrast this primitive economy with what we find today. We are fabulously wealthy by comparison. Even low-income persons today have things which heads of state never dreamed of having in the past – things such as better health and medical care, education, television and radio, transportation by air and auto, super highways, modern housing, and all the rest. The availability of these things may be traced to the accumulation of capital for the tools of production, which enormously multiply man's creative capacity, and to a highly efficient though complex system of exchange.

The capitalistic system of pro-

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duction and exchange rests upon a few simple, but important, basic principles of economics:

1. Scarcity of Economic Goods

All things of an economic nature are scarce and wanted. If a thing is not scarce, like the air we breathe, then it is not of economic concern. But the things we talk about in economics are scarce. These include food, clothing, housing, highways, automobiles, medical service, the services of teachers and ministers, and a long list of other goods and services.

The fact that all these goods and services are scarce and wanted by persons means that somehow a way must be discovered to decide who gets what. Many attempts have been made through the course of history to solve this problem. For example, one method is for the strong simply to take what they can from the weak. Another way is for government – the State – to expropriate all production and dole it out to the citizens according to some plan. This is the plan advocated by the Marxists – "from each according to his ability and to each according to his need" – the rulers, of course, deciding on needs.

Remember wartime rationing of meat? The price was arbitrarily set by government below what people were willing to pay, and the result was a so-called shortage of meat. So a system of rationing, by means of tickets, was used to determine who got what.

There is a better system of deciding who gets what, one that we used for many decades, and it worked beautifully. More about that later. The point here is that all economic goods and services are scarce and must be rationed in some way. Who gets what is very important.

2. The Principle of Least Effort

Another important economic principle is that we all seek the greatest amount of satisfaction in life with the least amount of sweat. Economists say we tend to maximize our satisfactions with the least possible effort. On first thought, this may seem like downright laziness and not a very worthy trait. But further reflection will reveal that it is a highly worthwhile device – the very essence of conservation – the foundation of our exchange system. Here's the way it worked in a primitive economy: One man was highly skilled in catching fish. Another was skilled in growing vegetables. The vegetable grower found that he could trade some of his products for fish and have a greater total than if he had to stop his gardening and catch his own fish. Both gained by the ex-

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change, less effort being required than if each had tried to be self-sufficient. So they traded to their mutual benefit.

It is no different today. What is the easiest way to get an automobile? For most of us, the answer is to get a job, save part of our wages, and buy one. That is doing things the easy way. Call it laziness if you will, but it gets results.

Now, if this "least effort" principle is followed indiscriminately, it leads to trouble. Some people discover that the easiest way to get something is to steal it. But that system soon breaks down for a society generally. Besides, it violates our ideas of moral law and the rights of private ownership of property.

It is only a slight variation of simple theft for people to join together and, by majority vote, take property from those who have it and give it to those who have it not. When doing things the easy way is carried to this extreme, it has serious consequences as we shall see.

It must be recognized, of course, that wants and satisfactions vary tremendously from person to person. One person may find his greatest satisfaction in leisure; another finds his gratification in truly charitable activity; a third prefers above all else living in a beautiful home; and still another gains the greatest satisfaction from a large family of children. The variety is endless, simply because of the individuality of human beings. Any centrally planned scheme for dividing the world's production involves a forced conformity to one pattern of wants and satisfactions and is certain to miss the mark by a wide margin in the case of practically everyone. The more man has, the more he wants, and the more important it becomes that the satisfactions be left to the choice of the individual.

3. *Specialization and Productivity*

A third economic principle important to an exchange economy is that specialization increases productivity. Persons possess a tremendous variety of talents and abilities. Some make good doctors, others are fine lawyers, respected teachers, skilled mechanics, master farmers, and so on and on. By exchanging with one another the abundance of production that results from the application of these highly specialized skills, each is enabled to gain a maximum of the satisfactions he seeks.

The facts that economic goods are scarce and must be allocated by some method, that people try to maximize their satisfactions with the least effort, and that specialization leads to high productivity all point to free exchange as the

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most nearly perfect system by which individuals may fulfill their mission in life, developing their own creative potentialities to the greatest possible extent.

The Importance of Private Ownership

This system works satisfactorily only when it rests firmly on the foundation of private ownership of property. What is mine is mine and what is thine is thine. Otherwise, how could there be voluntary exchange? I would hold that this is in harmony with Natural Law and the moral laws of the universe.

The right to private property simply means that a man has the right to what he has honestly acquired, either by production or exchange. He has a right to what he produces. He must be free to use it if he so desires, to exchange it with anyone anywhere on any terms agreeable to both parties, to keep it if he wishes for future use, or to give it away. A man's labor is his property. He must be free to work for himself, or for another person on whatever terms they agree to, free to donate his efforts to any voluntary cause or simply to remain idle if he chooses.

But every day, on all sides, we see violation of the rights of private property. We still have rent control in New York State. This means that the owner of a property is prevented by law from renting it to a person of his choice at a price agreeable to both parties. The evils of rent control are especially vivid in European countries where such controls have been in effect since World War I.

In England, a man may think he owns a farm, but unless he farms it in a manner acceptable to the government, it may be taken away from him. Ownership without control is not ownership at all. In this country a farmer may grow wheat for his chickens, but if his acreage exceeds the government quota, he is penalized.

Isn't it a violation of property rights to forcibly take money from the citizens of one community and give it to other citizens in the form of subsidized rates for electricity? That is exactly what is done through TVA and other river valley authorities.

Aren't property rights violated when a citizen of one country is willing to exchange his product with a citizen of another but is prevented from doing it by government exchange controls or by quotas?

Isn't it a violation of property rights to compel a railroad to hire firemen for diesel locomotives or other workers it considers not essential?

Isn't it an immoral act and a violation of property rights for a government to seize half the value of

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pension funds individuals have set aside for their old age? We have seen it happen right before our eyes, through inflation.

A moment's reflection will reveal many other invasions of the individual's right to his own property. Anytime a new proposal comes along, just make this test: Does it forcibly take property from some persons for the alleged benefit of others?

Suppose 51 per cent of the people, by majority vote or through their representatives, say that it is perfectly proper to do these things. Does that make it right? Can right and wrong be determined by majority vote? Are you willing to be guided in your religious views by the test of majority vote? Shall the majority decide whom you shall marry? Or where you can travel? No, there are still some things men will not have decided for them by the majority. But where is the line to be drawn? Majority vote has its place, of course. I see no better way of electing the officers or a board of directors of a corporation, or church officers, or the officials of a state. But there are many questions which should never be put to this test. Among them is the question of what you do with your private property, so long as you do not infringe on the rights of others.

Now, of what practical significance are these concepts? Let's be quite pragmatic. An economy based on private rights in property, with a free exchange system, can produce fabulous results. We have seen what it has done in this country in 150 years. There are simply no limits to what it can do. And even more important than the material wealth which this kind of freedom can produce is the kind of people it develops. Is there another system that enables – yes, encourages – an individual to develop his own creative potentials to the fullest?

But interfere enough in the market place – deny these rights to private property – and the system will surely come to a slow grinding halt. Remove the incentives to produce and exchange, and in place of a flowering economy we will see a muddled mess of bureaucracy, loafers, people looking for something for nothing, and an entirely dejected, unmotivated, unhappy, and immoral mass of humanity.

Self-Development

Man's purpose on earth is to develop himself as well as he can in harmony with an ordered universe regulated by Natural Law. This is at once his right to life and his obligation to live long and wisely. To sustain life, he must have a right to own what he has honestly come by – private ownership of

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property. He must be free to own it, to use it, to exchange it, to sell it, or to give it away on any terms agreeable to those involved. No third party, whether a person or combination of persons, has a right to intercede in the production and exchange process. Ownership of property is an empty, meaningless term if the owner is not allowed to control the property.

Interference with private ownership, whether it be in the market place or elsewhere, violates moral law. It doesn't change moral law. It doesn't change right and wrong, but only violates the laws; and the penalties will be levied just as surely as they are when any of Nature's laws are violated.

The Truth Will Stand

The chief dangers to our economy do not lie in Moscow or behind the iron curtain or in some far away place. They are right here – all around us – now. The solution to this problem will not be found by electing the right president or congressman, or city councilman, or member of the local school board. It is not that easy. The answer, as I see it, is in understanding, by business leaders, teachers, clergymen, writers of books, magazines, and newspapers – opinion molders – thought leaders. It is a long, tough educational job, and I see no short cuts to getting it done.

We haven't developed our present philosophy in this country overnight, and it will not be changed overnight. At least a generation has grown up in the belief that government can and should give something for nothing. If your village needs a new sewerage system, ask your congressman for a handout from the Federal Treasury –and it won't cost anyone anything! So long as such ideas prevail, we have the mechanism all set for continually expanding the invasion of the rights to private property.

I could become quite pessimistic about our situation if I had no faith in an ordered universe that responds to Natural Law. Along with this faith in an ordered universe goes a faith that free men will act wisely. I am convinced that truth will prevail however much we disregard it at the moment. As Jefferson explained:

"It is error alone which needs the support of government. Truth can stand by itself." • • •

THE MAINSPRING of human progress is individual liberty, and individual liberty decreases as federal power increases.

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ng Galloway, N. Y.

They talked endlessly about socialism.

DEATH of a *COLONY*

VOLLIE TRIPP

JOB HARRIMAN, noted lawyer, friend of the late Clarence Darrow, was an ardent socialist, and he tried to promote at least two communal colonies. One colony, planted in Antelope Valley, in the barren country north of Los Angeles, failed for good reasons. The loose desert soil would not grow crops, and the weather was too cold for most things. The pitiful remnants of stone foundations may still be seen here, the evidence of much hard work by someone.

Along in the early twenties, Mr. Harriman bought the Ramona Ranch, just three hoops and a hop over the hills from our old homestead, in Riverside County. Thither he moved the Antelope Valley colony, now abandoned to the coyotes and desert jack rabbits.

This Ramona Ranch had an abundance of gravity water which cost nothing. It had perhaps a hundred acres of fertile river bottom soil, several hundred bearing apple trees, as well as plums, pears, peaches, and other fruits. There were huge shade trees on the place, many good farm buildings, and quite a few farm implements. Coming to this pleasant well-watered valley should have raised the spirits of the most dour among them, after their former bleak prospects in the desert.

News that we were to have a communal colony for neighbors created the greatest interest. Soon we called on the folks to see how the colony operated. They were

Mr. Tripp, retired from the building business, now devotes full time to travel, writing, and promotion of free enterprise.

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very friendly, and all eager to explain their economic theories.

There were, as I recall, about 24 members in the colony, ranging from young children to several people over 60. They prepared their meals in a big community kitchen, ate together at one long table. The women took turns at K.P. duty. Everyone seemed enthusiastic about his new life, where "all for one and one for all" was a cardinal principle.

Here competition would be done away with in favor of cooperation. Communization was the only antidote for the cruel, wicked, heartless capitalist system. From now on it would be: "From each according to his ability; to each according to his need" – and so forth.

We came to know some of these folks quite well. Nice folks they were, too. Take the Woosters. Wooster was a tall grave bean pole of a fellow, well versed in philosophy, political theory, with a smattering of science, and a sincere belief in communal life. He was a kind of general overseer. Mrs. Wooster kept the colony books and helped manage the domestic details. She was quite young, alert, curvaceous, as well as vivacious, and not a bit hard on the eyes.

Then there was a fellow named Farmer, and his little girl, about 13. Farmer was a professional gardener. It was his duty to provide the colonists with nice, fresh green vegetables. Handy sort to have in a colony, this Farmer fellow.

There was an old lady whose name escapes me. Apparently senile, she often had a "call" to declaim at length, a rambling diatribe "agin" things in general, with emphasis on her poor treatment at the hands of those about her. The others paid no attention to her, and she often found herself preaching to empty chairs. Undaunted, she kept on till unwound.

We got to know the Taylor family best of all, J. Peter, Mrs. Taylor, and the several young children. J. Peter was a tremendous man, at least 6'4", weighing well over 220, thin. He, too, was "well versed" in history, philosophy, economics, law, and the theory of socialism.

You could go over to the colony most any time of day and find the folks expounding profoundly on various economic and political theories. The shade of the big umbrella trees was fine for expounding, in the long hot summer days. Leading the discussion, most likely, would be J. Peter Taylor. He had a natural gift for that sort of thing. Farmer, the gardener, was seldom to be found among the debaters. He was too busy

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working with his vegetable patch.

To join the colony, you had to dig up a thousand dollars. J. Peter used to boast how his wife took in washing to help raise this considerable sum. From time to time Mr. Harriman came down from his big city office to check on things. Supposedly, he doled out grocery money for his subjects, since the colonists continued to eat and no one worked outside.

SPRING CAME. We expected to see soil turned, crops planted, the apple trees pruned and cared for. It was our understanding that the colony hoped to produce nearly all their own food, with enough surplus to buy sugar, spice, coffee, and the like. This money would be placed in a common pool, the joint property of all, to be used for the common good.

June came and went. Then July and August. Still no plow disturbed the eager fertile loam. Weeds grew taller and taller. The premises took on a doleful half-deserted look. The men of the colony continued to polish apple boxes under the big shade trees, discuss endless socialist theory, and cuss the wicked capitalist system. Only cheerful spot on the ranch was Farmer's garden, now resplendent with ripening melons, corn, squash, tomatoes, and other good things.

Disaffection with Mr. Harriman now began to be whispered about. He did not come down from his big city office as often as before. When he did come, the money he left was inadequate for the collective needs. Came a day when Mr. Harriman did not come down at all anymore.

Adulation now turned to fury. Had he brought his people to this place, only to let them starve? What about the thousand dollars they'd given him? What about the Ramona Ranch? But Job Harriman could not be found to answer their questions.

THE NEXT BLOW fell when Farmer up and left, just like that, taking his little girl with him. I was sorry to see Mr. Farmer leave. I thought his little girl was real nice. No one knew why Farmer left, though I have a theory or two.

Fortunately for the colonists, he did not take his garden with him. For a little while yet the colonists continued to eat the ripening corn, squash, and things. But there came a time when the last of Farmer's turnips and things had been pulled and eaten. The colony now faced an "exceeding misery."

The Woosters, astute people, recognized trouble when they saw it coming down the road. They left for parts unknown. One by one the others left. All but Peter Taylor.

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Peter was made of sterner stuff. He vowed he'd sit there till a certain place froze over. Or, until he got his thousand dollars back.

Now, my father, Dan Tripp, was not a man to sit by and let a family starve. Many the sack of vegetables, side of bacon, gallons of milk found their way to the Taylor's table from our place. Even better for Pop: here was a CAUSE. Virtue outraged. Justice trammeled. Innocence persecuted. We took up the Taylor cause with a vengeance.

Mr. Harriman had undoubtedly made a down payment on the Ramona Ranch, expecting to pay the balance when due from sale of membership in his colony. I personally doubt that he had any other intention in the world. I believe he was sincere in his beliefs and had only the best interests of his people at heart. Certainly he was a warm, friendly man, an interesting man.

But the money could not be raised. The legal owners wanted their ranch back. They ordered Taylor to move. He would not.

IT IS DIFFICULT to dispossess a family under any circumstances if they're determined to stay. Taylor was determined. The law puts the legal owner to much inconvenience, delay, and expense. But in the course of events, about two years, as I recall, Taylor and his lawyer had used up all their legal recourse. The Taylors were to be put out into the county road, by force, if necessary.

However, the representative of the legal owners, as a last gesture to avoid force, offered Taylor all the furniture in the house where they had been living, plus $250 in cash, if he would sign quit claims and go away quietly. At Pop's urging, he accepted the offer.

We had a ton truck and agreed to haul Taylor's things to San Jacinto, about 25 miles north. We went over the next morning. It was a sad, tense time. The owner was there. Taylor's lawyer was there. Mrs. Taylor was crying. The children were hushed and frightened. As a youngster, I was deeply impressed and shocked at this treatment of a poor family by rich and "soulless men."

The owner, on advice, refused to pass over the $250 directly to Taylor. He insisted it be paid through a third party. Funny thing, this law. Pop was suggested as an intermediary. There being no objection, the money was handed to him, and a second later he passed it over to Taylor.

As the last of the furniture was loaded onto our truck and as we were about to leave, Taylor suddenly jumped out and ran back into the house. With a mighty

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heave he yanked out the kitchen sink and came running with it. The owner blinked but said nothing, doubtless glad to be rid of him, at any cost.

But this sink thing brought me up short. By all the rules of the game, it was a part of the house. It was not furniture to which he was entitled. So my hero Taylor, the sage, the prophet, the epitome of justice and abused innocence, had a flaw or two on his own account. I was upset about this. It just about ruined my simple classic hero-villain concept of things. From now on, thinking about such matters would be much more complicated.

SO ENDED Job Harriman's Ramona Rancho communal experiment. Another theory, beautiful in a dreamy sort of way, went up in smoke, or down in ashes, as you prefer. It had failed for the same reason Governor Bradford's communist experiment had failed, some 300 years before.

Communization just isn't natural. It doesn't meet man's needs, hopes, ambitions, or temperament. Nor can a little communism succeed any better, though obviously a small dose isn't as lethal as a big one.

Here, if ever, the basic idea of communism had a fair chance to prove itself with a minimum of interference from external forces. The colonists found themselves among friendly interested neighbors, anxious to help any way they could. The ranch was fertile and could easily have produced food in abundance for all, with a ready sale of surplus to take care of money needs.

Farmer, the only one of the dozen or so able-bodied men willing to work, simply grew tired of feeding the rest, and quit. I fear he was a capitalist at heart.

The others lacked incentive to do much for themselves because they could see no direct, compelling personal reason for doing so. Why should they? They had "social security." If one man could not, or would not, pull his load, the others would. At least, they were *supposed* to.

It failed, too, because something in man rebels, and finally dies, when his personality and individuality is taken from him, and he's merged into "the group." We have a right and a sacred obligation to be ourselves, to work out our own destiny, and to see the total result of our effort. Man wants to be able to stand back and say: "This I have done." The experiment failed for other reasons, any one of which would have doomed it from the start. • • •

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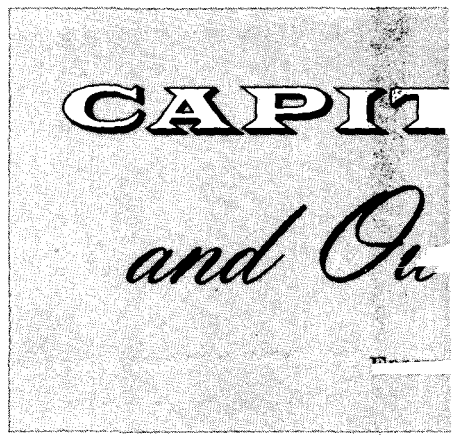
THE CURRENT REVIVAL of interest in religion in America has been variously interpreted. At the very least, it means that many of us may be disposed to re-examine the spiritual foundations on which our culture has been erected. Our heritage of free churches – religious bodies possessing an authority of their own, independent of the State – is obviously rooted in the unique intellectual and cultural soil of the West.

But we need to be reminded that our other cherished institutions spring from the same soil. Modern science, education, our tradition of limited government, and our taste for free enterprise or capitalism are all anchored to the same spiritual foundation; and, as superstructures, they are all affected by the decay or the loss of prestige of their foundation.

Shoring up this spiritual foundation directly is one thing; defending it against the indirect erosion which results from an attack on one of its autonomous offspring such as science, education, or free enterprise is another. Science and education have able defenders, so the attack on our culture often centers on economics where it sometimes achieves a semblance of plausibility. It was a *unique combination of cultural* factors which encouraged the emergence of capitalism, and it may be argued that the very survival of free private enterprise depends as much on getting these cultural factors back into proper focus as it does in knowing the case for the free market.

In the philosophy underlying the practices of capitalism the market is used as a device for



making economic decisions – the "market" being the pattern precipitated by the voluntary buying habits of free men and women. Men engaged in economic activity at any level may be guilty of coercion and fraud, just as they may be guilty of coercion and fraud in any other context. When this is the case, they may properly be censured for their malpractices. This is worlds apart, however,

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from the wholesale condemnation of the institution of the free market by collectivists, or the thoughtless criticisms of otherwise thoughtful people.

Economic activity, subject to the same ethical and institutional restraints that hedge all human actions, is no more properly subject to political invasion than is religion or science or any other human venture. Economics, moreover, occupies a strategic position among the various activities of man. Economic activity is not merely the means to material ends; it is also the means to all our ends. Thus, while it may serve on a humbler level than science, education, and religion, economics is a necessary means to these ends. If its integrity as a means to these ends is not respected, it may become the instrument to destroy them as well as to impair the spiritual foundation they rest upon.

A great social upheaval occurred several centuries ago – one of those great, deep, tidal changes in the human spirit manifesting itself on the level of society as new institutions and a new outlook on life. Different aspects of this transformation were labeled the Renaissance, the Reformation, and the Counter-Reformation, the whole affair being religious in nature. Men felt the urge to love God for himself; and, as a parallel development, to pursue truth for its own sake. This latter urge is the wellspring of the scientific method.

But like other people, specialists in science easily lapse into an attitude of unawareness of the unique spiritual and social conditions which make their specialty possible. They are "radically ignorant," writes Ortega y Gasset, of "how society and the heart of man are to be organized in order that there may continue to be investigators." And so we now have science perverted, and some scientists placing their talents at the disposal of politicians in the

XLISM

Culture

OPITZ

The Reverend Mr. Opitz is a member of the staff of the Foundation for Economic Education.

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planned State. This is bound to happen when the metaphysical foundations of science are ignored.

Spiritual Foundations

A human culture is born as something "cultivated," something developed by education, discipline, and training. Its spiritual foundation is constructed slowly and painfully, like the building of a breakwater by throwing in bag after bag of cement until finally the top of the pile appears above water. Modern culture had been in preparation for centuries before it erupted in the sixteenth century and allowed a new outlook, a new spirit, and a new set of values to release and direct human energy. Men threw off the dead weight of ancient restraints – the various justifications for the tyrannies of political government, the controls on man's productive energy, the discouragement of efforts to investigate the natural universe.

The material prosperity we know and have known in America is a direct outgrowth of the spiritual and social upheaval which surfaced about four centuries ago. The critics of capitalism became aware of this connection at least fifty years ago when Max Weber published his enormously influential book, *The Protestant Ethic and the Spirit of Capitalism*. The revolutionaries, however, had employed this strategy much earlier. G. Zacher, in 1884, wrote in *The Red International*, "Whoever assails Christianity assails at the same time monarchy and capitalism!"

If our common Judeo-Christian heritage paved the way for the rise of capitalism, then a subtle way of causing a decline of capitalism would be to refrain from openly attacking it while concentrating on weakening the foundation which holds it up. This would kill two birds with one stone, in the manner advised by the French revolutionist two centuries ago who said, "Don't attack the monarch, attack the *idea* of monarchy."

The East and the West

Perhaps the importance of the spiritual and cultural foundation of the West may best be illustrated by comparison between the Oriental and the Western scene. A traveler in the Orient is struck immediately by the amount of human muscle power still used to do the heavy work of society. The streets of an Indian city are crowded with men carrying things, pushing things, and acting as beasts of burden. The strong impression which these scenes evoke is that the Orient needs machines so that horsepower can relieve manpower.

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Questions and Answers

Why doesn't the Orient have the machines which would lighten human toil? Is she too poor to buy them? So was Europe a few centuries ago; and then the energies of Europeans poured out and channeled themselves in patterns of relief from much of the back-breaking toil which is still the fate of their brothers in the Far East.

Might it be that the people of the Orient are not bright enough to invent and build their own machines? To the contrary, many of her people are bursting with creative energy, and they have inventive minds, as witness their philosophies, their arts, their handicrafts. And rich natural resources are available to them.

Perhaps the Oriental society has been shackled by its prevailing forms of despotic government. There *has* been despotism in the Orient, native and foreign; but the questions arise: Why have people over the centuries quietly consented to submit to tyranny? Why has the idea of limited government gained so little foothold among them? Why doesn't the Orient invent the machines, embrace the technology, and set up the industries which would provide the goods and lighten the burdens that now lie so heavily on the backs of half a billion people?

These are questions that cannot be answered on the level of technology or on the level of political and social organization. The answers must be sought at those deeper levels where vital decisions are made which permit or repress the emergence of a belief in the dignity of man, and in freedom, and in such of its natural corollaries as science and technology. Natural resources and opportunities are of secondary importance; what is of primary importance is the possession of a religious heritage – or an attitude toward the universe – which encourages men to take hold of natural opportunities. This heritage Europe had in the Judeo-Christian tradition in which was embodied elements of Greek culture – the whole being called Christendom. When that tradition came to renewed life at the dawn of the modern era, it was the fountainhead of great changes in Western society. Population increased many times; simultaneously the well-being of individuals increased. Famines disappeared; some diseases were eliminated altogether, and the ravages of others were mitigated. Education spread to the outermost edges of society. During the same period of modern history Oriental society has been virtually static – until the ferment of the last few years.

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Equal Before God

At the heart of the great Western upheaval was the idea that the individual worshiper could come into the presence of God without the mediation of any special class of men, or of any group, or of any nation. According to this faith, the Creator and Sustainer of life, the Lord of the universe, is nevertheless, and paradoxically, close to every person and interested in the most humble.

Think what this belief, strongly held, would do for the humble who walked the earth, how it would straighten their backbones and lift their chins! Think what this belief would do to tyranny. If every man thought of himself as the creature of God and potentially God's child, he certainly would not long submit to being the creature of any other man or of any group of men or of any government! No longer could it be regarded as right, or as the will of God, that any man be placed at the disposal of any other man or group. Thus, every person was conceived to have "rights" which no one should impair, and out of this came a concept of government as a social institution set up voluntarily by men to secure each of them in his "rights."

We are proud, and rightly so, of the experiment in government set in motion on these shores a little more than 175 years ago. Perhaps the keynote of this new kind of government was struck by James Madison in his thirty-ninth Federalist Paper when he wrote of the determination "to rest all our political experiments on the capacity of mankind for self-government." This cannot be construed to mean that Madison suffered from any illusions as to the utopian possibilities locked up in the average human breast. But for the first time in history the individual person was not to be a creature of government or its minions. Inherent rights were lodged in each person as his natural endowment from God, and the exercise of his individual energies was strictly a matter of his own business – until he trespassed on the rights of other individuals.

In the American scheme, men had a larger measure of political liberty than men had ever had before, and they obtained their measure of freedom by limiting government to taking care of the one interest men have in common – the removal of barriers to the peaceful exercise and exchange of human energy.

The American concept of government did not spring into being full blown from a few brains; it was hammered out in the course of long experience and debate. By the middle of the eighteenth cen-

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tury Americans were protesting that the exactions of the British crown were violating their rights as men, whereas but a generation earlier they had demanded their rights as Englishmen. A revolution in thought and outlook separates the former concept from the latter. In drawing the lines of battle on their rights as Englishmen, the colonists had in mind the concessions which their ancestors, beginning with the barons at Runnymede, had wrung from their sovereigns. In standing on their rights as men, the colonists drew upon another dimension, the theological. This is probably what de Tocqueville had in mind in 1835 when he wrote of Americans that "religion . . . is the first of their political institutions."

Religious Aspects of Political Liberty

When religious considerations are introduced into political theory, government is ideally limited to securing the ends of liberty and justice for all men alike. Political liberty thus has spiritual antecedents, and it serves spiritual ends by providing the social conditions which enable persons to achieve the goals appropriate to human nature.

Political liberty also serves man's creaturely needs. Under political liberty a certain pattern of economic activity emerges, properly called "capitalism." There is no more warrant in common sense or in theory for fettering men's economic activities than there is for arbitrarily curtailing his scientific, educational, or religious activities. But by constant repetition of untruths and half-truths, it has been made to appear that every ill from which our society suffers is due to freedom of economic enterprise, whereas the real cause of many of these ills is actually the result of the impairments of that freedom.

In recent years, business and industry have gone through the wringer. Businessmen, who are as good and as bad as any other group of men, have been singled out for special treatment. Industry as a whole has been tied down with a network of laws and controls. While some branches of it were treated to special privileges by government, other branches suffered from political discrimination.

During this same period a new conception of government has gained popularity. It is the very concept against which eighteenth century Americans protested and fought – the concept that government is the seat of ultimate power in society and therefore possesses all the rights which it dispenses provisionally to people as political expedience dictates. Thus the older

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American concept of the relation of government and people is turned inside out.

Whenever men have yielded to the lust for power and the greed for possessions, there have always been impairments of political and economic liberty of great or less degree. In the past when the going got rough, men pulled in their belts, grumbled, and consoled each other with the literature of freedom, sacred and secular. They were sustained by their faith that those who loved liberty were on the side of the right, and that the right would eventually triumph. They might perish, but their principles would outlast any tyrant. But now the situation is different. Values have been transvalued, and impairments of political and economic liberty are made on principle. Thus the blows struck at limited government and free enterprise do not stop after doing their damage there. They go deeper and strike at the spiritual and cultural bases of our society, at that substratum of our life which we, until recently, have so taken for granted.

In our present situation, the most immediately oppressive things seem to emanate from an overgrown, bureaucratic government. Merely to remove these restraints and directives is of little use, however, if we leave intact the *concept* of omnipotent government – or the seeds of this concept – to spawn more restrictions. An erroneous idea of government must be replaced by a correct idea. But when we seek to refurbish the American idea of limited government, we find that originally the concept stemmed from a spiritual foundation which is itself badly in need of rehabilitation. It is at this fundamental level that the most intensive work needs to be done. But because so few people are aware of the importance of this level, almost no one is working at it. Unless this spiritual foundation is rehabilitated, work at the less profound levels cannot endure, touching as it does only the margins of the problem. • • •

IDEAS ON LIBERTY

Spiritual Collapse

ROME FELL because the nation collapsed spiritually; because a hardy race succumbed to the insidious poison of the idea that "the government will do it"; because rulers bought power at home and favor abroad by gifts of treasure and food; because integrity and thrift and industry gave place to corruption and waste and indolence; because the nation bartered its ancient heritage of hard-won freedom for the specious ease and false security which a corrupt government promised it.

FRANKLIN BLISS SNYDER, *President, Northwestern University*

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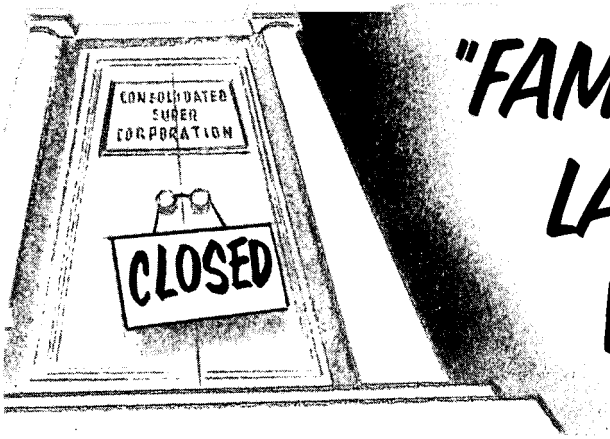

"FAMOUS LAST WORDS"

WALTER J. BLUM

The following article is an experimental exception to Foundation policy against the use of satire for educational purposes. "I wrote it for my own entertainment," says the author. But perhaps it may encourage business managers and stockholders to re-examine some of the modern innovations of corporate practice.

THE TURN in events leads me to speak a few words about Consolidated Supercorporation before stepping down from the Chairmanship of its Board of Directors, after twenty years at the helm.

I, for one, am extremely proud of the role which our company has played on the American scene in the past two decades. The people regard our company as a model. From being a self-centered organization viewed with suspicion, it has won the reputation of being an almost sacred trust operated for public benefit.

Let me trace briefly with you the important milestones on this road we have traveled.

My very first act upon assuming the Chairmanship in 1937 was to insist that it was wrong to allow the bitter company-wide strike to continue. By refusing to meet the terms of the union which was organizing our plants, we were depriving the public of our products. As I then said, it was as much a wrong to block the creation of our goods as to plow under little pigs. Both deny the consumer his rightful freedom of choice.

Two years later, in 1939, we pioneered a new relationship between industry and advertising. We were the first company to sponsor a radio program designed not to gain customers, but to furnish the country with enlightenment which otherwise would be

Mr. Blum is Professor of Law at the University of Chicago. He is co-author with Harry Kalven, Jr. of The Uneasy Case for Progressive Taxation, *University of Chicago Press, 1953.*

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monopolized by a privileged few. I am sure all of you then on the Board vividly recall, as the high-water mark, our series of twenty-four lectures, each by a different outstanding philosopher. What must be hard to believe today is that only once during each hour program were listeners interrupted in their thoughts to be informed of the sponsor's identity.

AS THE AMERICAN economy was responding to the beginning of World War II, our company captured a new "first." Without any hesitation, we announced a policy of full compliance with the government's efforts to hold down prices through voluntary means. Not once did we refuse to cooperate with the maximum prices suggested by the Price Administrator. Steadfastly we held the line, even when not a single other firm in the industry was willing to make that sacrifice for the good of the country.

Early in the war an excess profits tax was enacted on the theory that war resulted in abnormally large profits due to the situation at hand and not to the efficiency of enterprises. Upon passage of this tax, your company responded in characteristic fashion. We immediately proclaimed our position that since excess profits are unfair, we would price our goods so as to avoid having any such profits. Thus we were the only large government supplier whose contracts were never once renegotiated throughout the whole of the war. Just think how much wrangling would have been avoided had our policy been copied by all contractors!

When the war ended, we were in danger of losing our enviable reputation because more and more corporations were beginning to retain public relations counselors. You must admit that we met this challenge forcefully. No single action during the postwar period was more dramatic than our announcement, in 1946, that each year 5 per cent of the company's income would be donated to local community funds throughout the country. Does it seem possible to you now that some stranger nearly succeeded in undermining this noble program by suing us? What hurt me most was that the nervy fellow held only a measly 25 shares out of our 16,000,000 which were then outstanding. Even to this day it aggravates me to think that this selfish individual succeeded in forcing us to reduce our annual contribution from 5 per cent of gross income to 5 per cent of net income.

During the slight recession of 1948, we were much tempted to close several of our obsolete plants

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and move the operations to other areas more favorably situated as to labor and transportation costs. Indeed, the leading management firm in the country strongly advised this. As usual, we acted in the best traditions of democracy. We held innumerable meetings with the townspeople and our employees who would be adversely affected, and learned of the burdens that would be imposed upon them. In the end we were persuaded to stand pat. My, there was great rejoicing around the old plants; and who among us here will not say that these displays were heartwarming? I only wish that the celebrations had been witnessed by the cranks who complained about our decision – especially those merchants, landowners, and workers who thought they might personally profit from the relocation.

TWO YEARS LATER, in 1950, we carried this policy to its logical conclusion. Learning that several marginal firms in the industry were preparing to liquidate because they were operating at a loss, our company, to avert that tragedy, acquired the firms and continued to operate them as subsidiaries. Thus did we do our duty to prevent society from suffering a waste of its capital resources.

I must not overlook the role our company played in the Point Four program by which the United States undertook to provide technical assistance to underdeveloped areas. The response to the government's appeals for expert technicians was discouraging. Most of the competent people were already under contract and their employers were reluctant to lose their services. In an effort to break the bottleneck, we offered to lend any of our trained personnel for foreign duty and to continue paying half their regular salaries. There is no need for me to remark on the thrill we received when the President of the United States singled us out for special commendation at his press conference. But I will emphasize that our plan was successful: many of our best engineers did go to the four corners of the earth, and some of them have yet to return.

Another bit of farsightedness on our part likewise pleased the administration. Ever since the mid-thirties, some economic advisors have concluded that our economy would be more stable if the acquisition of capital goods were less cyclical. Our contribution to making this a reality was the novel long-range capital expansion program we inaugurated in 1954, under the title of "Automation of Expansion." Every economist has commented on our pledge

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to increase our capital outlays by 6¼ per cent a year regardless of economic conditions. While naturally I relished the publicity that followed, I took most pleasure in working with that smart little economist – oh, what is his name? – who conclusively showed us – on his slide rule, mind you – that 6 per cent per annum would be too small and 6½ per cent too large an increase. I know you will excuse me if I digress just to wonder what's become of him since then.

I could go on at length reminiscing about the forward-looking achievements of Consolidated Supercorporation, but I shall limit myself to selecting only one more – our latest dedication to living the good corporate life. Come now, confess, didn't all of you really enjoy returning to the University this summer for a refresher course in the liberal arts? Speaking for myself, I got a real kick out of reading *Plutarch's Lives!* But even if not all of you were completely comfortable in the classroom, surely you will agree that our executive retraining program will in time do something to American business. Who knows, it might even improve the moral force that our country can bring to bear on other members of the United Nations.

No wonder, then, that Consolidated Supercorporation often is referred to in the press as the American answer to the Welfare State – the welfare corporation. And the people wholeheartedly have been on our side. Their appreciation, as shown by the chart over on the wall, has resulted in a tenfold increase in our dollar volume during my two decades as Chairman of the Board.

I WOULD CLOSE my remarks here were it not for the depressing news, conveyed to us earlier in this meeting, that some creditors have today filed a petition to reorganize the company under the Bankruptcy Act. There is no hiding the fact that this is an event for which I was little prepared. The company certainly deserves better. But far more important than its immediate fate is the need to make sure that no wrong conclusions are drawn from our experience. It is to this end that I have spoken.

So I come to my last words as Chairman. Our policies were sound. If our fortunes have suffered, it is not because of our good works and ideals but because the fates were unkind. The long and short of the matter is simply this: Even though our competitors failed to live up to the standards of corporate good citizenship which we set, they were luckier. Somehow their costs just were lower than ours! • • •

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The prodigies who launched the La Guardia reform era did not last long. They moved to national and global fields. When my friend Adolf Berle was leaving, he said to me, "Bob, it's all very well for you to fuss with street openings. As for me, I'm off to settle the Chinese question."

ROBERT MOSES
The N. Y. Times Magazine
September 8, 1957

THE SPIRIT OF *Humility*

FREDERICK WALKER

WELL, the Chinese question is still with us, and Adolf Berle did not settle it. We did not expect him to; what surprises us is that he thought he could. Such delusions denote a serious shortage of humility.

How often, in thumbing through history, we can see leaders and followers alike shed all humility as they relentlessly drive to impose their well-intended reforms on a skeptical and reluctant society. Roman soldiers are seen crucifying One whose message was love and persecuting those who sought to practice the ideal of peace on earth, good will toward all men. Add to this the violence of the Crusades, the horrors and atrocities of religious wars, mass murder of innocent men and women and children, the physical and mental enslavement of man by man, the burning of "witches," the purgings by guillotine and machine gun. Certainly, the power of the sword, of the mob, and of mighty armies is seldom, if ever, wielded in humility.

Nor is the historical evidence of ruthless, arrogant action confined to these examples of war and forthright violence. The destructive force often is concealed and works indirectly in the area of public affairs, political action, government enforced reforms of all kinds.

The modest sense of his own significance, displayed by many a person in his private life, seems to desert him when he turns to public affairs. A man who can't or won't make a simple personal decision, or advise his wife or child concerning small matters of his own household, can and will tell emphatically how he'd run the

Mr. Walker is a public relations consultant and journalist much concerned with the methodology of freedom.

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state or the nation if he were Governor or President.

Arbitrariness Breeds Trouble

One soon learns, when dealing with family or friends or business associates, that arbitrary action and a cocksure attitude may lead to trouble. At that level of affairs, a mistake comes home to roost in a hurry. But there isn't that same direct personal confrontation in case of an error in public policy, even though it affects millions of people and causes untold harm. The impersonality and vastness of public affairs may explain why they tend to be advocated and conducted with so much arrogance – so little humility.

For example, who ever heard of a farmer's killing his own little pigs, or urging his neighbors to slaughter theirs, as a sound business procedure? But this destructive theory once was enforced on a national basis by "farmers" who had lost all humility when put in charge of the United States Department of Agriculture.

The organization of United World Federalists, designed to tell everybody from Madagascar to Omsk how to achieve a peaceful utopia is perhaps the most grandiose and lofty political concept of all time. Yet, this is a principal enthusiasm of suburbanites who face insoluble local problems of traffic control, overcrowded schools, rising taxes, water shortage, sewage disposal, juvenile delinquency, and congestion generally. If the good intentions of such persons were accompanied by an equally fine sense of humility, they might attend to the problems on their own doorsteps before remodeling the rest of the world.

"Whereas I formerly believed it my bounden duty to call other persons to order, I now admit I need calling to order myself." Dr. Carl Jung, in making this statement about himself, also might have offered it as a basis for political action. What would have happened in this century if the demonic political figures who have led the world into confusion, war, and chaos had felt as Dr. Jung does? Conceive, if you can, such a humility in a Marx, a Hitler, a Lenin, a Stalin; they were all too certain that they must call other people to order. The results are all about us. Coming home, we have heard our leaders, supremely confident of their own rightness, tell us that war "would end war" and "make the world safe for democracy."

The Anomalous Mr. Cobden

One of the most successful political leaders and reformers of all time was Richard Cobden. That Victorian statesman accomplished many things and without bitter-

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ness. Why? There was no arrogant, antagonistic sense of self-righteousness about him. According to Walter Bagehot, "Mr. Cobden was very anomalous in two respects. He was a sensitive agitator. Generally, an agitator is a rough man . . . who says anything himself, and lets others say anything. 'You peg into me and I will peg into you, and let us see which will win,' is his motto. But Mr. Cobden's habit and feeling were utterly different. He never spoke ill of anyone. He arraigned principles, but not persons. Very rarely, if even ever in history, has a man achieved so much by his words – been victor in what was thought at the time to be a class struggle – and yet spoken so little evil as Mr. Cobden. We may on other grounds object to an agitator who lacerates no one, but no watchful man of the world will deny that such an agitator has vanquished one of life's most imperious and difficult temptations."* Can such praise be

*"Mr. Cobden" from *Biographical Studies* by Walter Bagehot.

THE CITIZEN AND THE LEGISLATOR

ALIKE to the citizen and to the legislator, home-experiences daily supply proofs that the conduct of human beings baulks calculation. He has given up the thought of managing his wife and lets her manage him. Children on whom he has tried now reprimand, now punishment, now suasion, now reward, do not respond satisfactorily to any method; and no expostulation prevents their mother from treating them in ways he thinks mischievous. So, too, his dealings with his servants, whether by reasoning or by scolding, rarely succeed for long; the falling short of attention, or punctuality, or cleanliness, or sobriety, leads to constant changes.

Yet, difficult as he finds it to deal with humanity in detail, he is confident of his ability to deal with embodied humanity. Citizens, not one-thousandth of whom he knows, not one-hundredth of whom he ever saw, and the great mass of whom belong to classes having habits and modes of thought of which he has but dim notions, he feels sure will act in ways he foresees, and fulfill ends he wishes. Is there not a marvellous incongruity between premises and conclusion?

HERBERT SPENCER, *The Man Versus the State*

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truthfully accorded any political figure in our own time?

The confident feeling of certainty that what we believe is right and therefore should become public policy has motivated too many of us. Much of what is now described as Toryism or reaction is merely humility in operation – a lack of confidence in the new proposals designed to supplant principles which have stood the test of time. What is in operation can be seen; what is proposed for future operations is far less obvious. Certainly the violent upheavals and revolutions of our time are not conducive to a whole-hearted commitment to social reform. "Progress is commonly the substitution of one nuisance for another," wrote Havelock Ellis. Czarist Russia was an absolutist state in process of moderation; who would claim now that the substitution of communism was a step forward? A little more humility, a little slower pace, and many evils which now afflict us could have been avoided.

The global reformer or revolutionist, absolutely certain of his rightness, becomes an absolutist when he gains power, killing those who disagree, or consigning them to slave labor camps or exile. The lack of humility can go no further. There is light for all of us in what we can see happening. Too cocksure, too certain, and we, too, could become political absolutists. "After all," said Montaigne, "it is setting a very high price on one's convictions to burn a man alive for them."

A great teacher of nearly 2,000 years ago offered his life as a lesson in humility. Would that we in this twentieth century might understand and practice that message! • • •

IDEAS ON LIBERTY

A Poor Wise Man

I HAVE ALSO SEEN this example of wisdom under the sun, and it seemed great to me. There was a little city with few men in it; and a great king came against it and besieged it, building great siegeworks against it. But there was found in it a poor wise man, and he by his wisdom delivered the city. Yet no one remembered that poor man. But I say that wisdom is better than might, though the poor man's wisdom is despised, and his words are not heeded.

The words of the wise heard in quiet are better than the shouting of a ruler among fools. Wisdom is better than weapons of war, but one sinner destroys much good.

ECCLESIASTES 9:13-18
(From the Revised Standard Version of the Bible, copyrighted 1946 and 1952)

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SACRED COWS AND BRUISED SHINS

F. A. HARPER

MANY LIBERTARIANS have scars on their shins, suffered from trying – in a certain way – to kick around some popular socialist sacred cows. Experience is one way to learn how to avoid some of the bruises, but we may also learn from the experience of others.

The libertarian is not a complacent soul, happy with things just as they are. Once he has grasped the concept of a society of free men, he sees vividly many imperfections in the contemporary scene. He sees liberty being violated on every hand, and is incensed when others bow down before idols of socialist design. The situation is urgent, it seems, and so he is likely to become a crusading idealist.

Finally, a golden opportunity arrives for the freshman libertarian. The local club invites him to be its speaker. Hurrah!

The club will first have its feast, then transact some business and indulge in some levities, and finally listen to his speech. He will be allowed fifteen minutes for his formal statement, including several minutes for the chairman's eloquent introduction. At the end there will be five minutes for questions and answers.

His audience seems spellbound by the speech. He may mistake as admiration a reaction which is, in fact, nothing but just plain wonderment; it is as though they were watching some strange animal. Most of the audience will surely miss his point completely, never having studied seriously the underlying concepts of the Declaration of Independence, the Constitution, or the works of persons such as Locke and Paine and Lord Acton. So why shouldn't these libertarian ideas amaze them?

Then comes the five-minute question period when the speaker is to stand trial. A freshman libertarian is likely to perform in the manner of the proverbial Irishman who, with his bare hands,

Dr. Harper is a member of the staff of the Foundation for Economic Education.

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tangled with the bull in the pasture lot. At the funeral, a friend was heard to observe that he had exhibited more courage than judgment.

The parade of socialist sacred cows begins: "You mean you are opposed to ———? Why?" One by one, these sacred cows are turned loose in the arena as though they were prima facie evidence of his guilt.

"I must defend myself as one accused," he thinks, "and answer any question thrown at me. It would be cowardly to fail to give my opinion on every issue presented in the time available."

No Time for Explanation

But there is time for him to give nothing except bare conclusions which he throws back at his questioners — conclusions shamefully unclothed in any supporting evidence and reasoning. There just isn't time for anything more.

So the herd of sacred cows all survive the fray quite unblemished, whereas the poor speaker emerges deeply bowed and with badly bruised shins. Why?

The mistake of this courageous libertarian was to submit to trial in such a courtroom where his views on any subject could be judged in the absence of any opportunity for a complete hearing. With a jury overwhelmingly of the view that he is guilty, he has no chance of acquittal unless it is to be a hearing where there will be ample time for him to present evidence in his own defense — defense of the beliefs he holds, that is.

Judgment after the Facts

A perfectly proper and safer approach is suggested by our traditional legal processes. When a case comes up for hearing before the judiciary, it is accepted as simple justice that the accused shall be allowed a full hearing. All facts may be presented without any arbitrary time limit, as a matter of justice. Only then, after all the facts have been brought out, is a judgment presumed to be in order.

Imagine, for example, being accused of a crime while at the same time you are allowed only a specified number of minutes during which to present the case for your own defense. Imagine being subjected to a trial where your guilt or innocence will depend on how much evidence you can present in the few minutes before the judge has to leave in order to make his golf appointment at 1:10. About all you would have time to do at such a trial would be to reassert your innocence — an approach hardly convincing to anyone already presuming your guilt.

Trying to answer an involved

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question about some socialist panacea in one or two minutes is hopeless and unfair by the test of intellectual justice, for the same reason. Unless ample time is available and willingly offered by those who will be judging your case, it is probably better not to enter that particular courtroom at all; it would be better to refuse to accept its jurisdiction. In other words, it would be better to refrain from offering your views on all these questions at that time and place.

The wise libertarian is one who uses his time to the best advantage, who employs whatever honest strategy will best defend the concepts he holds dear. To do that is not cowardice. Why suffer bruised shins battling the keepers of the sacred cows in an arena of injustice and disadvantage while so many fertile fields for libertarian talent remain untilled?

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IDEAS ON LIBERTY

Stand-by Controls

THE EVIDENCE against controls, even during emergencies, is so overwhelming—by logic, and as revealed in the historical record—that one wonders how their enactment has gained so much credence in this "land of the free."

The most kindly charge that can be made against one who favors stand-by controls for emergencies, it seems to me, is that he does not understand the workings of a free market and that he lacks confidence in the performance of free men working with private property in a voluntary exchange economy. And if that be his belief, why does he not propose government controls of everything, *all the time*? Why not use the "strength" of controls all the time, not just in emergencies?

To enact stand-by controls would mean putting into the law of the land a permanent endorsement of a basic tenet of socialism—the principle that control of the vital mainstreams of commerce and confiscation of the rights of private property are sound and just practices. A nation of freedom cannot enact even stand-by controls and remain basically free.

F. A. HARPER, *A Just Price and Emergency Price Fixing*

A copy of this leaflet is available on request from The Foundation for Economic Education, Irvington-on-Hudson, New York

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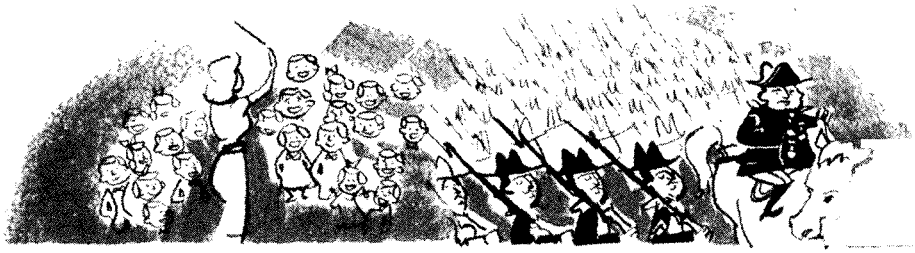

THE PSYCHOLOGY OF LEADERSHIP

FRANZ E. WINKLER

MANY PEOPLE in the world today are facing the future with a sense of helplessness and frustration. Buried and forgotten is the optimism of the past few centuries, when man believed he held the reins of destiny in his hands; and gone is his faith in a new age of reason and enlightenment. Although the vast majority of people want peace, happiness, and freedom, they have not seen the fulfillment of their aims in spite of all their labors.

Even when democracy had given power to the masses, when revolutions had swept away feudalism, and modern concepts had replaced medieval superstitions, man failed to bend fate to his will. And it is exactly this paradox, this contrast between hope and achievement, that has thrown our generation into political fallacies and filled it not only with a profound sense of insecurity but with doubt in the human race itself.

What we fail to realize is that man has not yet reached the state of evolution in which he is entirely free to build a world in the image of his ideals. The vast majority of all people want this world to be one of peace, justice, and freedom, but the path leading to it runs through uncharted lands which no one but the prophet and poet have been able to penetrate. And thus the worst blunders of mankind have come from the impatience of some people with their fellow man's seeming unwillingness to build a better world.

Among these impatient ones were all kinds of men such as Savonarola, Marx, and Lenin. Their efforts have ended or will end in disaster and bloodshed, for man in his present state of imperfection is neither as powerful nor as free as he thinks he is. The degree of man's freedom depends on his inner development today; it does not exceed the freedom of

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Dr. Winkler, Austrian-trained psychologist, psychiatrist, and physician, now practices internal medicine in the United States. This article is extracted from an address of February 6, 1957 before the Myrin Institute, of which Dr. Winkler is President.

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a navigator in a river of no return.

This river may well signify all those changes in man's consciousness which take place independently of his own volition. How impressive is the flux of trends and impulses within the life span of one single generation! Did those who risked their lives for the sake of liberty in the French Revolution dream that their sons and younger brothers would worship at Napoleon's feet? While many explanations have been given for such enigmas of human consciousness, none has proved satisfactory.

Cloudy Patterns of History

However, one thing is certain: irrespective of their causes, and of the extent to which they may have been brought on by man himself, historic changes in human consciousness are not wholly the result of intellectual and voluntary planning. Consequently, history itself, the physical manifestation of man's progress on earth, is determined, at least in part, by currents flowing below the level of conscious volition. Can we chart these currents and learn to steer a self-determined course within them?

Many attempts have been made to accomplish this. Experts in every country have drawn conclusions about the future from past and present events; and, on the strength of these predictions, some momentous political decisions have been made with the poorest possible results. Nor should this surprise us; as far as shaping of the future is concerned, factors are at work which have eluded all attempts at intellectual analysis and classification.

Thus with all his power and scientific achievements, modern man faces the world of today as helplessly as a child lost in the wilderness. Not only has he failed to solve any of the great political issues of his age; he seems to have grown ever less capable of coping with the problems of his own personal life. He expects psychologists, no less bewildered than he is, to solve these problems for him; or he tries to forget them under the influence of alcohol and tranquilizers. But the riddles of life demand an increase rather than a slackening in wakefulness: a wakefulness which concerns the intuitive as well as the intellectual faculties of man. For only in full and dynamic cooperation between intellect and intuition lies the key to the future, and no problem can be solved without it.

Scientific thinking itself requires such a cooperation. Although preceded by painstaking intellectual research, all the truly great discoveries of the past were conceived in the lightning flash

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of intuitive insight. Not until recent times has there been the prevalent tendency to rely exclusively on mass experiments and chain investigations; but, if the trend continues at the present rate, it will threaten to make the genius in man obsolete; and should this be carried to the extreme, the free world will find itself entirely without leaders, for the inventive spirit in man is also his genius for leadership.

Leadership Needed

Leadership is all-important. It was the free world's failure to see this, rather than economic and social circumstances, that enabled dictators to usurp so much power in such vast areas of our planet. Actually, deep down in our hearts, we fear and mistrust *all* leaders; for we have not yet learned to make a clear distinction between authoritarianism and moral leadership which in reality are opposites.

According to *Webster's New Collegiate Dictionary,* "to lead" means "to draw or direct by influence, good or bad." Thus the word itself initiates the confusion which has wrought havoc with the minds of people all over the world. In order to overcome these misunderstandings, new words must be found to permit a distinction between two diametrically opposed types of guidance. For this much is certain: while the free world is in desperate need of leadership, such leadership must be *qualitatively,* not merely *quantitatively,* different from the concepts of authoritarianism.

Our generation is wrestling with the problem of freedom. If men were unequivocally devoted to it, they would *have* freedom — and talk about it less. Actually, however, our longing for freedom is counterbalanced by a deep-seated fear of its price in individual responsibility. Thus modern man is beset by two conflicting emotions: one utilized by the leader who speaks for fearless championship of liberty, the other by him who proclaims reckless denial of freedom.

No Genius Required To Lead Toward Oblivion

Dictators all over the world have received voluntary and powerful support from that part of man's soul which fears personal responsibility. The myth still exists that such leaders as Hitler or Stalin, whose actions affected the course of history, were possessed of tremendous individual strength. Actually, however, a man needs neither great intelligence nor strength of will to become a leader of their kind. Even a child can release the brakes of

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a truck parked on a steep hill, climb into the driver's seat, and for a while control its increasing momentum.

Freedom and individualism make up the battle cry of our age; but in the soul of modern man there also exists the opposite, the longing for extinction of the self, for a lapse into those subhuman realms ruled by animal instincts rather than by the stern demands of moral responsibility.

This is especially so in the case of our unhappy youths who dread the task of facing the world as it is today. No wonder they respond to those who can show them the way to self-abandonment! Inevitably they are drawn to a performer whose eyes do not focus – whose legs seem to return to a crawling position, renouncing the upright posture of man – whose rocking and rolling motions recall the swayings of a medium in trance. In these manifestations our young people find a consciousness without ego, a consciousness that is biological rather than spiritual. Should this idol choose to be a leader, he could command thousands, for unwittingly he has become the personification of an impulse that tempts the hearts of countless modern youths: the impulse to abandon the struggle for spiritual self-assertion, to forget all the fearful responsibilities of individuality and, with the help of weird tunes and rhythms, to sink into the ecstasies of purely biological consciousness.

Two Kinds of Leadership

So far, I have refrained from drawing a line between moral and immoral leadership. Nor is it easy to draw such a line in view of the good intentions which have swept the world into ever worse disasters during the course of the past decade. Even many a communist believes he is heading toward a moral goal when he promotes an anti-type society supposed to be immune to internal strife and individual excesses. But the river of no return streams toward individualism, and nothing truly good can emerge from attempts to block it. If this be true, then moral leadership can be defined as guidance contributing to the wholeness of man.

Still, a man is whole only when he is fully conscious; and therefore no leadership can be moral unless it directs itself to the conscious mind. Immoral leadership, on the other hand, may be defined as an attempt to rule by appealing to man's subconscious or unconscious nature, and by circumventing his conscious self-determination.

Moral leadership can have one purpose alone: to help the indi-

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vidual to find himself and to fulfill the commands of his higher nature. How is it possible to visualize this divine spark in man?

The principle of moral leadership rests on one basic assumption: the assumption that there is supernal purpose and meaning in life. Without such conviction any individual is likely to feel the urge to supply that meaning according to his own lights, and to force it on his fellow men.

Now we are told that belief in a higher purpose is a matter of faith, and therefore has no place within the realm of scientific cognition. Personally, I have never been able to see the logic of such a contention, for man is born with a sense of purpose which induces even a child to ask his persistent "why's"; and, even as a young plant must be the offshoot of an older one, man's innate sense of purpose must be considered the incomplete replica of a higher reality. Such reasoning can serve as the intellectual basis for an intuitive experience. And I have never found anyone who, starting with such an attitude, has not eventually arrived at an inner, unshakeable conviction that purpose and meaning rule his life.

"Man, Know Thyself"

Since time immemorial the question after the purpose of human existence has been linked to man's search for his own spiritual nature, a search which found its expression in the ancient appeal: "Man, know thyself." Yet our self does not lie in the subconscious or unconscious hunting ground of modern psychology, but lives in the daylight of clear consciousness. But it has grown faint, so faint indeed, as to be almost overgrown by subconscious and unconscious impulses; it desperately needs strengthening. But how? By a never-ending conscious effort to solve the problems which life itself offers as a challenge to all of us; by seeking meaning in all the trials and joys which are not of our own making.

Fate itself is the guide on this quest, and every problem and riddle of life is but another signpost on its path. The great tasks and tests which play such a vital part in the legends, myths, and fairy tales of all peoples, the Sphinx's riddles to be solved, and the great deeds to be done, are but the problems of life seen in their deeper meaning. Every problem contains its solution within itself: the solution which, when found, enriches man immeasurably and brings him closer to his goal. The darker the riddle into which fate leads him, the greater the treasure that can be found in it, but the stronger must be the light of con-

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sciousness that illumines the way.

And this is where one can help another through moral leadership. Not that anyone can hope to solve another person's problem, but he can hold a torch for him. The light needed for inner vision is born out of an equilibrium between the three principles of human psychology. An excessively intellectual person is as incapable of seeing reality as a highly emotional or impetuous one.

Of course, it is often beyond human capacity to create or sustain a state of true equilibrium in the face of a personal crisis. Indeed, no one would expect a doctor to perform a serious operation on his own child, or a judge to pass sentence on his closest friend. Yet almost daily we are confronted with such problems, too close to our hearts to permit equanimity; and on these occasions we are prompted to turn for help to someone less intimately involved. We ourselves may not be fully aware of it, but the last thing we want in a crisis is persuasive advice. Shock, grief, surprise, or even joy have, for the moment, extinguished the light of our own reason which can glow only in an *equilibrium* between our intellect, our feeling, and our will. Thus it is a torch we crave when we ask for guidance, so that in its borrowed light we may find the answer to the riddle which has blinded us.

The principles of moral leadership are the same on all levels of social relations: they govern the leading of a nation and the mastering of a craft as well as the counseling of a friend in need. They demand an intensive work on oneself, for there is no such thing as leading others without first being able to lead oneself.

Freedom Lies in Self-Mastery

Man is free only insofar as he is capable of ruling himself. However, as said before, self-mastery depends on the existence of a certain equilibrium between the basic principles of human soul life. All real problems and crises of life demand for their solution an effort toward such equilibrium, and are therefore the building stones of that masterpiece of creation which man should one day become. Since no human being is strong enough to put these building stones in their right places all by himself, he must learn to give and to accept that kind of mutual assistance which I have called moral leadership. If this concept be correct, it explains why leadership can be moral only when it recognizes the spiritual nature of freedom; without such recognition it must either turn into compulsion as in communistic countries, or fade

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into abstraction as in the free world of today.

To become a leader in the real sense of the word means to become truly human. And it is humanity itself which is at stake today. The worst danger of communism is that its methods could dehumanize a whole generation, and worse than the schemes of its champions is the readiness of millions to submit to them. Since the victims of dictatorships cannot be considered inferior by nature to the still free peoples of the world, the existing danger for humanity must be universal. It may be granted that countless people are still fully human; yet these hold to their humanity by instinct rather than by reason. Religious persuasion helps modern man in his plight, but it does not reach all, nor can it forever hold at bay the creeping doubts of a materialistic age.

A Spiritual and Moral Aim

As I see it, there is only one way to solve the crisis of our time, and to supply the world with individualities whose strong inner security enables them to control themselves and to lead their fellow men. This way calls for the attainment of a minimum degree of *objective* intuitive perception as the only reliable basis for self-recognition and insight into others' needs.

Attainment of leadership qualities is a spiritual and moral aim, but one that can be reached by means of reason and discipline. A man who learns how to master his thinking to the point where it becomes a clear mirror of reality, who strives to expand his emotional life beyond the narrow confines of egotism, and who gains control over his will forces, develops an inner clarity that permits him glimpses into a reality usually distorted by the chaotic soul life of the untrained. Needless to say, leadership training alone does not suffice to create a permanently harmonious being; this is up to the moral will of the individual himself. But training can give the knowledge and skill which make the attainment of a moral goal easier. It can also show how an inner equilibrium can be established, at least for moments of need. These moments give man a clearer perception not only of physical realities but also of the spirit, and leave him with a longing for further development.

The free world does not require a professional *clique* of leaders, but it needs the largest possible number of individuals who know how to accept and how to offer leadership. The greatest enemy of modern youth is frustration and apathy. And indeed what is there in the promise of ever bigger

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cities, of more and faster airplanes and cars and sputniks, that can inspire enthusiasm?

Our civilization has now come to a point where it must start on an inner quest or face decline. Youth needs a new adventure, an adventure that leads to the neglected treasures of the inner life. Its first steps are self-knowledge, divination of the purpose of man's existence on earth, and the means to lead others who are in need. While adult education can do no more than show a way, it is the doubt in the very existence of such a way that has led thousands of young people into addiction and delinquency; for it is not evil but frustrated energy that is at the root of most juvenile crimes. If only a fraction of that energy were directed into channels of moral leadership, the free world would have little cause to fear its future.

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EDITOR'S NOTE: In the address, from which this article was extracted, Dr. Winkler concluded with some examples taken from the work of the Austrian philosopher, Rudolf Steiner, to show how the intuitive faculties of man can be trained.

Copies of the full address are available upon request through the Myrin Institute at Adelphi College, Garden City, New York.

IDEAS ON LIBERTY

Two Kinds of Influence

ONE CAN DO THINGS *to* others destructively, but not creatively. Creatively, one must confine himself to what he can do *for* others. One can do things *for* others materialistically by having money or tools to lend or give, or goods and services to exchange; intellectually by having knowledge and understanding for those who are in search of knowledge and understanding; spiritually by possessing insights that can be imparted to those who want them.

Self-interest can best be served by minding one's own business — that is, by the process of self-perfection. It isn't that this idea has been tried and found wanting; it is that it has been tried and too often found difficult, and thus rejected. Actually, coercive meddling in other people's affairs has its origin in the rejection of self-perfection. Many persons conclude that they can easily improve others in ways they refuse to attempt on themselves. This is an absurd conclusion. Thus it is that in our dealings with our fellow men, we so often try to coerce them into likenesses of our own little images instead of trying to make of ourselves images that are attractive and worth emulating.

LEONARD E. READ

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THE TRULY HUMANE SOCIETY

IN the beginning of modern economics was Say's Law – the law (first formulated by the Frenchman J. B. Say) which demonstrates that production creates its own purchasing power. It seemed quite obvious to our fathers, who were used to such things as the gold standard and a stable money system, that funds handed out by a producer for raw materials, wages, interest, dividends, repair of wear-and-tear, and the purchase of new capital equipment, must all turn up in the system somewhere as possible consumption funds. Given no political distortion of the money supply, the purchasing power thus released would be sufficient to "clear the market."

This simple explanation – John Stuart Mill phrased it another way by saying "the means of payment for commodities is simply commodities" – has been swamped in recent years by the so-called Keynesian revolution. During the depression years of the thirties it became fashionable to argue that Say's Law belonged to Robinson Crusoe and his island where modern debts and credits were unknown. The United States in the thirties had a President – Franklin D. Roosevelt – who publicly disbelieved in the Say formulation (see Daniel Fusfield's revealing *The Economic Thought of Franklin D. Roosevelt and the Origins of the New Deal* published by the Columbia University Press). Far from "clearing the market," goods in the thirties seemed interminably stuck in transit. People with purchasing power refused to buy; employers, therefore, ceased to employ; and the interest rate seemed to hang in air as a regulator of investment.

A host of lesser prophets – Major Douglas, the "stamped scrip" addicts, the Marxian believers in sterilized "surplus value," the technocrats – tried to explain the "leak" in Say's Law. But nobody really succeeded in accounting for the fact that markets were not being cleared until John Maynard Keynes published his famous *General Theory of Employment, Interest and Money* in 1936.

This is the book which has hung

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heavy over our heads for a full generation. It is a most plausible book – for the short run (and Keynes was fond of saying that in the long run we're all dead). How to deal with it? Ludwig von Mises has dismissed it by calling it "the Santa Claus fable raised . . . to the dignity of an economic doctrine." And there is no doubt that Mises is right – for the long run.

Say's Law, it should be noted, doesn't work all at once; manifestly it doesn't take hold immediately for overbuilt and overdeveloped sectors of the economy. An enterpriser can make a serious mistake in estimating just what types of goods will clear the market. Under classical theory the enterpriser's error will serve as a warning signal for investors to deploy their capital elsewhere. The unwanted goods will eventually clear the market at a sacrifice, and the wounded enterpriser must either cut his costs or take up some other line. But in the meantime, Say's Law, working on what might be called a staggered shift, has resulted in some temporary unemployment.

To put the unemployed back to work again, either a flexible wage policy is required or real wages must be adjusted by inflation. But to cut wages has always been hard politics, whether considered as the politics of the factory, the industry, or of society as a whole. Inflation, so the Sumner Schlicters of this world tell us, is preferable to wage cuts. This is a decision in politics, psychology, and sociology, not a decision motivated by pure economics.

A One-Way Street

The problem, then, is not so much to assail the long-run relevance of Keynes's economics but to tackle the master on the score of politics and sociology, even morality. Keynes is an embarrassingly slippery customer if you try to deal with him on economic grounds alone, for his works abound in passages that can be quoted against other passages.

When pressed during his lifetime, Keynes willingly admitted that a failure in demand provoked by bad entrepreneurial decisions, or a discrepancy between savings and investment, or a period of overstimulated expectations of profit, would, in time, tend to correct itself. He was no advocate of perpetual inflation as the cure for the short-term failures of Say's Law. In fact, he thought in terms of a reversible system of countercyclical measures – a jolt of inflation for a depression period, a corresponding measure of forced saving (via taxation and debt-extinction) in periods of overfull employ-

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ment and general economic euphoria.

Unfortunately for his hopes, however, Keynes had no savvy when it came to understanding the nature of political man. In a searching little book, *Welfare, Freedom and Inflation* (London: Pall Mall Press, 70 pp., 59¢, introduction by Graham Hutton), Wilhelm Röpke, a German economist now resident in Geneva, goes straight to the heart of Keynes's deficiencies as a political scientist. He has tackled Keynesianism where it is at its weakest: in its failure to understand that *reversible* counter-cyclical action is virtually impossible in a democratic political system. A dictator can cancel inflation, yes. (Nobody dared complain in Russia when the Kremlin wiped out the savings of thousands of Soviet citizens by suspending interest on government bonds.) But in a democracy, politics tends to work by ratchet-action. What has been granted cannot easily be retracted. Inflation, barring heroic forebearance by a majority of the electorate, can only be corrected by more inflation.

Keynes thought that government spending – or "investment" – designed to take up the slack in employment would be "neutral" insofar as its effect on the basic structure of capitalism is concerned. It would merely be "something extra," a flywheel which, running concurrently with other wheels, would keep the whole machine spinning merrily. Government "investment" would have a "multiplier" effect. Part of it would go to swell the "propensity to consume." Part of it would go into savings – and, by way of the banking and insurance system, into new investment which would ray out into more consumption and still more investment.

Robbing Paul to Pay Paul

But Röpke cannily directs our attention to the fact that government "investment," which begins as a policy of robbing rich Peter to pay poor Paul, ends up by robbing Paul to pay Paul. The Keynesian "multiplier" effect is paralleled by something which might be called a "divisor" – or at least a "subtraction" – effect. For, while government spending undoubtedly stimulates demand – and more investment in some areas to meet that demand – it also serves to scare free investors into hiding. With the "divisor" effect canceling the "multiplier" effect, a government under the spell of Keynesianism must resort to more and more massive doses of taxation and/or inflation simply to stay in office.

As Röpke says, the point is eventually reached where taxation,

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far from bearing down exclusively on the rich, begins to rob the middle class of its potential savings and even some of its "propensity to consume." Even the masses come more and more under the tax collector's gun. With all classes paying in taxation and/or inflation, "money is juggled from their right-hand into their left-hand pockets." This practice, says Röpke, is not only "nonsensical"; it means the death of society as an entity which is counterpoised to the State. "Quite apart from its dampening effect on individual effort and responsibility," so Röpke writes, "it involves the expenditure of large sums on a vast public machine constantly growing in size and power."

The ultimate social price is a "dull, grey society, in which public spirit, voluntary service to the community, creative leisure, brotherliness, generosity, and the true sense of belonging to a human family are all smothered by resentment in the higher and envy in the lower income groups. What is left is the pumping system of Leviathan. . . ." This "pumping system is an illusion for all, a purpose in itself." The operators of the pump acquire a vested interest in its gigantic back-and-forth movement. And the citizen runs the risk of being reduced "to the status of an obedient domesticated animal in the State's big stables, crammed together with other similar animals."

Changing the metaphor, Röpke argues that the Welfare State pumping apparatus eventually degrades human beings to "the status of minors." When a people reaches this stage, it is lucky to lose a total war totally. Then, at least, it can begin over again, as West Germany has done.

The Immorality of Intervention

The objection to Keynesianism is not that it won't work economically – after all, if it is a mere question of balancing input and output, any system can, theoretically, do as well as any other. With force, "full employment" is always attainable. The Incas of Peru "balanced" their economy. And in Russia there is "full employment," even though the State had to murder three million kulaks at one point to get it.

The real objection to Keynesianism is, as Röpke notes, a matter of morality; it debases the nature of man. Since the ratchet-action of politics makes a return to the voluntary society more and more unlikely, people become universally cynical. Bastiat's definition of the State becomes all too true: the State is "the grand fiction by which everybody lives at the expense of everybody." And, since

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nobody has an individual surplus to use for cultural expenditure, patronage of the arts, or buying time for creative leisure, all of these things must be taken over by government. Röpke's final damning statement is "charity, honorary functions, liberality, conversation, leisure, everything that Burke included in the expression, 'unbought graces of life,' all these are strangled by the State."

Röpke has explored the alternatives to Keynesian manipulation in larger, more fundamental works than *Welfare, Freedom and Inflation.* A good longer introduction to his thought – which is moral, social, and political even more than it is economic – is his *Social Crisis of Our Time* published by the University of Chicago Press or *Civitas Humana: A Humane Order of Society* published by William Hodge in London. But *Welfare, Freedom and Inflation* is a first-rate tract for the times. One hopes that it will be widely read on both sides of the Atlantic. • • •

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Bending the Twig—The Revolution in Education and Its Effects on our Children.

By Augustin G. Rudd. Chicago: Heritage Foundation, Inc., 1957. 291 pp. $3.95.

AS A GRADUATE student in education at a large Midwestern university, I was frequently assigned outside readings in books written by William H. Kilpatrick, Harold Rugg, George S. Counts, and other liberal-leftist educators. One class in curriculum construction had as its primary reference material National Education Association publications. Augustin G. Rudd in his book, *Bending the Twig,* clearly points out the implications of such a program of teacher training and its effect on the public schools of the United States where the notions of Progressive or New Education have directly or indirectly influenced every level of our educational system. Much of this material about the New Educators is not known to the general public.

Professional critics of New Education, Arthur Bestor, Alfred Lynd, and Paul Woodring, have analyzed the defects of the public system of education and its cost to the nation in respect to loss of skills and knowledges. Layman Rudd intelligently reviews these deficiencies in the light of the modern school program.

Part II of the book is especially

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valuable for its definition of the path the social educators are following. He contrasts the concept of a free society based on the primacy of the individual with the concept of the statist order advocated by many of the New Educators who choose to use the schools as an instrument for social change rather than an agency for instruction in the skills, knowledges, and heritage necessary to maintain our culture.

It is interesting to know that the Russians experimented with progressive education until its bad results became evident. Then, using their centralized power, they eliminated it.

This return to the essentials of education may have aided Russia in making her recent technological advances.

After reading this book, one comes away with the feeling that as generation after generation of students graduate from our schools conditioned to the tenets of socialism, we will eventually lose our republican form of government and individual liberty because our citizens will lack even the basic knowledge of our heritage.

FRANK B. KEITH

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The Supreme Court CHALLENGED

THE MEN who drafted the Constitution did not design a streamlined political structure. Madison and the others had been once burned by a government, and they were twice shy. They created a political structure in which the federal government was to be internally self-governed by three separate but balanced powers, and the several states were to retain their original sovereignty in order to act as a counterpoise to the central authority. This entire political equilibrium was balanced on the sovereign individual; the only excuse for government was to secure him in his rights. The Founding Fathers knew that a free government implies an unfree people, so in the interests of personal liberty they pinned down their government to strictly limited and delegated functions.

Since the early days of the Republic there has been a dying back of the will to liberty; we have gradually made our adjustment to major losses of liberty in important segments of our life, and the loss is causing us little pain. And the Constitution, which admirably implemented the will to liberty, can be and has been pressed into the service of those who have lost the will to liberty and therefore want to use the Constitution to serve ends its authors never intended. The document can be used for this purpose, for it is composed of words; and words are inert things until they are interpreted or misinterpreted by men. The Constitution is not an apt instrument for those who seek to increase the power of the State at the expense of society, but the Constitution is venerated by the people so it is easier to subvert its intent under the cover of its form than to replace it with a 1958 statist model. Dubious judicial interpretation could then be a means of social engineering.

The Runaway Court is a 5,000-word pamphlet, comprised of an editorial series which recently ran in the courageous Midwest newspaper, *The Indianapolis Star*, and which provoked a widespread response among lawyers and other students of American history. "Something has gone wrong at the roots of America's government," reads the opening sentence. "The three-way balance of constitutional authority is tipping crazily." The pamphlet then goes on to a hard-hitting analysis of recent Supreme Court decisions and the philosophy of government which is implicit in these decisions.

While the supply lasts, a free copy of *The Runaway Court* is available upon request to the Foundation for Economic Education.

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A CONCEPT OF PRIVATE ENTERPRISE

by Fred G. Clark

General Chairman
The American Economic Foundation

Private Enterprise has one, all important identifying feature. Whereas non-competitive systems provide a slim market in which customers compete for scarce merchandise, Private Enterprise provides a bountiful market in which the producers compete for the customers.

By forcing *producers* to compete, our American system disciplines them to be efficient. The well-known result has been an ever better living standard for all.

Yet, there are some who would vote arbitrary laws that exempt favored groups from the all-important competitive disciplines.

Among such laws are those that enable Government to compete with private producers. Political pressures inevitably force Government to sell at less than cost, and recover the losses by taxes. Government is thus exempted from the economic pressures that make private producers efficient.

In its own interest, it is up to an enlightened citizenry to see to it that Government engages only in those business activities that lie unquestionably beyond the capacity of private industry.

The above comments are condensed from an article by Fred G. Clark. A copy of the complete article may be obtained by writing to:

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